# FINANCIALTIMES

World debt: a hint of optimism for the poorest, Page 4

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Tuesday January 19 1988

EUROPE'S BUSINESS NEWSPAPER

### World News

### Bush falls further behind in crises Iowa polls

US Vice-President George Bush is slipping further behind in the polls in Iowa where voters kick off the presidential nomination race in three weeks. Latest sur-veys show Mr. Bush trailing the Senate Republican leader Rob-ert Dole by up to 15 points in

### Peres seeks vote

Israeli Foreign Minister Shimon Peres said he would try again to force early elections on the issue of an international conference on the occupied West Bank and Gaza Strip. But Prime Minister Yitzhak Shamir immedistely waised convenition. He extends the prime of the prim ately voiced opposition. Page

Soviet air crash kills 11 A Soviet Aeroflot airliner landing at Krasnovodsk, Soviet Turkmenia, missed the runway, overturned and broke in two, killing 11 people. The remain-ing 104 passengers escaped unburt.

### Aid for Palestinians Kuwait said it would send food estinians in the occupied terri-tories to help them continue anti-Israeli protests.

### **Guif co-operation**

707

### Shevardnadze piea

tions after seven weeks of cam-paign violence which left 93 NIGERIA'S controversial plan candidates and party helpers to reschedule \$3.2bn in unpaid dead. Page 4.

### Lockout 'illegal'

Some 1,000 workers at the Ses tao state-owned shipyard in northern Spain returned to work after a magistrate ruled that a management lockout was

Pop music graduates Twenty Rotterdam music con-servatory students graduated as the Netherlands' first pop music teachers.

# Antarctic treaty talks

Representatives from 37 nations met in Wellington to refine a proposed agreement governing mining in Antarctica.

# Soviet emigration up

Soviet emigration rose to about 25,000 last year compared with about 4,000 in 1986. The Foreign Ministry to Moscow said the majority of emigrants were ethnic Germans, Jews and Armenians who joined relatives abroad. Activist leaves. Page 3

### Athens tackles smog

Fresh anti-pollution curbs aimed at tackling smog came into force in Athens, including a ban on private cars in the city centre, halving the number of taxis and introducing continuous working hours.

### **Business Summary** World Bank identifies two debt

assessment of developing country debt concludes that two separate debt crises have evolved in sub-Saharan Africa and in Latin America. Page 4

COCOA prices rose bewteen £18 (\$33) and £22 (\$40) a tonne in London after the Inter-national Cocoa Organisation agreed rules to reinstate its



Dec1987 price support mechanism. The May position closed np \$21 (\$38) at \$1,182 (\$2,167) a

tonne. Page 32 WALL STREET: The Dow Jones industrial average closed 7.79 np at 1,963.86. Page 44

An American warship offered LONDON: A 1.1 per cent drop the Soviet Navy details of a in UK retail sales last month convoy operation in an apparent increase of co-operation market, where players were between the superpowers in the also taking a second, less enthuguit. ures. The FT-SE 100 index ended only 3.3 up at 1,790.

been approved by the required two-thirds majority of credi-tors. Page 24

AIRCRAFT manufacturers British Aerospace, de Havilland of Canada, part of Boeing of the US and the Franco-Italian ATB42 have been shortlisted by the Indian Government for an r worth more than \$548m.

FRANCE has won FFr1.5bn (\$272m) worth of new orders from China for nuclear equip-

ment at the Daya Bay nuclear power plant and for additional digital telephone exchanges and telecommunications cables

STERLING Drug, New York

# Argentine uprising ends as rebell colonel surrenders

THE SECOND military rebellion use force to crush the rebellion in Argentina in nine months ended last night with the surended last night with the sur-render of ex-Colonel Aldo Rico, the rebel leader. The former marine commando surrendered to troops loyal to President Raul Alfonsin after sporadic fighting in the garrison town of Monte Caseros, 380m (630 km) northeast of the capital and close to the Brazilian-Uruguyan border.

close to the Brazilian-Uruguyan border.

Col Rico, also the ring-leader of a more widespread army rebellion last Easter, had earlier rejected a demand for an unconditional surrender and defied some 2,000 troops under General Danta Caridi, Army Chief of Staff.

The Army's determination to

last night appeared to have been decisive. Some casualties were reported in a clash at a village near Monte Caseros; but the extent to which Col Rico and some 100 of his supporters

and some 100 of his supporters put up resistance was still unclear last night. It is the first time that the Argentine military have fought each other since 1962 when there was a shoot-out provoked by inter-service rivalries under the civilian presidency of Mr Arturo Frondiri.

Gen Dante Caridi, Army Chief of Staff, took personal charge of yesterday's operations, underlining the determination

underlining the determination of the armed forces to stamp out insubordination.

lion last Easter of middle ranking officers, who protested against human rights trials and the structure of the armed forces' senior command. The big difference between this revolt and that of Easter is the dimninished support for the rebels and the willingness of the army command to use force. The fighting in the north occured while other isolated Incidents of support for the rebels broke out in at least four places - Tucoman, Neuquem, Rio Turbio, and San Luis. All the latter groups bad surren-dered last night, according to

Ex-Col Rico, 43, led the rebel-

Army reports.

There was also a four-hour take-over early yesterday of

the control tower of Buenes.
Aires civil airport by some 30 army and air force personnel.

Armed police units were used to regain control of the airport but no fighting was reported.

The ex-colonel escaped from house arrest on Friday in the capital. He then fled north to Monte Caseros, where he took over the town, mined the approaches, and challenged the Government to deal with him. He also demanded the removal of Gen Caridi and recognition of the role played by the armed forces in the "dirty war" against the left from 1976-82.

Significantly only the Army

was used to suppress the revolt, and within Argentina this was seen as a matter of

At one stage it seemed President Alfonsin would be forced to declare a state of seige; but this idea was dropped when it became clear the military chain of command was remaining loyal and willing to engage rebel troops. Nonetheless President Alfonsin cancelled a scheduled visit to Sweden, due

to begin today.

Buenos Aires remained calm in the middle of its summer holiday season and no mass civil-ian demonstrations were called. This was in marked contrast to the rebellion of last Easter when the President in person called for public backing and Continued on Page 24



# De Benedetti seeking control of Société Générale de Belgique

BY TIM DICKSON IN BRUSSELS AND PAUL BETTS IN PARIS

MR Carlo De Benedetti, the Italian businessman who is in the process of building a Europewide industrial and financial aervices' empire, yesterday launched an audacious bid to take effective control of Société

take effective control of Société Générale de Belgique, Belgium's largest commercial and industrial holding company.

The announcement that Mr De Benedetti's French-based holding company Cerus directly and indirectly speaks for 18.6 per cent of the shares, plus his declared intention to launch an offer for a further substantial next of the group, stunned the

Soviet Foreign Ministers Eduard
Shevardnadze opened talks in
Bonn by urging the West to
Gase trade, restrictions on and the dollar's subsequent
sharp rise encouraged buying in
Ished 306.55 higher at
Cuban official defects
Cuba branded as a traitor Gastave Perez Cort., 53, vice-prest DM1.6800, FFr5.6655, and dent of the state committee for
material and technical angely, London, at DM1.6800, FFr5.6725
(CM1.6790); FFr5.66251: SFr1.3705

This would give Mr De Benedetti a blocking minority on
board decisions and a major say
in the running of the group's

This would give Mr De Benedetti a blocking minority on
board decisions and an angor say
in the running of the group's



the independence of Société Générale and to keep its deci-sion-making base in Belgium." He added that the board con-

sidered that if Mr De Benedetti took control "It would be in the interests neither of the share-holders of the holding company nor of the companies which form part of the group." Société Générale was created

more than 165 years ago and exercises control over a wide range of Belgian business activities, largely through minority stakes. These activities include stakes. These activities include banking and financial services, engineering, cement making, mining, non-ferrous metals and general trading.

In recent years the company has tried to reorganise its giant portfolio into 10 clear business sectors, as well as concentrating its investment on growth areas such as financial services and telecommunications.

Mr De Benedetti paid between FFri.7bo and FFri.8bn (\$307m to \$325m) for his strategic 18.6 per cent stake in Société Générale. He also confirmed in Paris yesterday that Cerus would launch a public share offer to finance the purchase of more Société Générale shares - bringing his total no to 33.6 per cent who defected to the West after (DM1,6790); FFr5.6725; SFr1.27205 (FFr5.6625); SFr1.27205 (FFF5.6725); SFr1.27205 (FFF5.0725); SFr1.27205 (FFF5.0725);

### Soviet **Minister** attacks Cocom

By David Marsh in Bonn

SOVIET FOREIGN Minister Mr Eduard Shevardnadze yesterday fiercely criticised Western controls on flows of technology to the East bloc and claimed they had held up 20 large Soviet projects in the past. In a speech to West German industrialists in Bonn on the first full day of a visit there, Mr Shevardnadze referred to the range of embargoed goods

the range of embargoed goods drawn up by the Paris-based Cocom body as "this cursed Mr Shevardnadze's unusually sharp criticism of Cocom comes in the wake of a diplomatic offensive by the Bonn Govern-

soften export restrictions.

The Soviet Foreign Minister also held political talks yesterday with Mr Hans-Dietrich Genscher, the Foreign Minister, and President Richard von Weizsaecker. The Bonn Foreign per cent on Friday in response to the news. ment to persuade the US to lined the need to overcome political divisions in Europe and to expand economic rela-

Mr Shevardnadze, speaking to industrialists at the headquarters of the West German Association of Chambers of Commerce, said that 30 major joint industrial projects were under discussion.

The control of the West German Association of Chambers of Commerce, said that 30 major joint other European groups.

Mr Jean-Luc Lagardere, Matra's chairman, said yester-deventable that he had reached agree-deventable that he had reached agree-deventable.

technology transer rules and said that contracts had been held up in the past by Cocom restrictions. However, Mr Wolf, a well-known East bloc trading expert, said he could not confirm the Foreign Minis-ter's claim that 30 projects were being discussed.

# Paris to resume privatisation with Matra sale

tisation programme, suspended in October following the colholding in Matra, the armaments and electronics so far completed about a third group, oo Wednesday.

The French Government has so far completed about a third of its privarisation programme

Mr Edouard Balladur, the French Finance Minister, will

The decision to go ahead with the privatisation was taken after the publication on Friday

ions.

Mr Shevardnadze, speaking to ent improvement in the world

Mr Otto Wolff von Ameroogen, association president, also spoke in favour of liberalising West Germany and the West West Germany and the Wallenberg group in Sweden, which controls the Ericsson electron-les company.

hard core.

FRANCE will restart its priva- agreed that a majority of the core should remain in French hands. The other French applllapse of the world's stock mar-cations for this group are all kets, with the sale of its share-financial groups, he said.

of its privatisation programme with the flotation of companies

Mr Edouard Balladur, the French Finance Minister, will announce today the price at which Matra will be offered, as well as the list of friendly shareholders chosen to make up its "hard core."

The decision to go ahead with the flotation of companies worth a total of about FFF120bn (\$21.2bn).

Mr Balladur had hoped, before the stock market crash, to add the insurance companies UAP and AGF, as well as one of the two major banks still in the attact sector, Banque Nationale de Paris or Credit Lyonnais, before the presidential election before the presidential election in April.

Mr Balladur is expected to go ahead with the flotation of several of the regional subsidiaries of the French banking group CIC, but market analysts believe he will not be able to Ministry officials said that as well as taking advantage of the solldity of current French eco-

The memory of the flotation of Suez, where 1.6m small investors saw their shares open 18 per cent below the price they had paid, remains vivid.

Matra's shares were suspended yesterday at FFr1,465, 29 per cent below their level before the stock market crash and valuing the group at FFT3bn. A share spllt will take place before the sale.

The state currently controls All three, along with Mr 50.97 per cent of Matra's capital and will offer 18.8 per cent company, are candidates for the 22 per cent of Matra's capital and will offer 18.8 per cent in the public sale. Mr Lagardere sald he hoped for 150,000 new tal which will be allotted to the shareholders from the offer.

Mr Lagardere sald Matra Mr Shevardnadze put forward as possible examples of future co-operation satellite launches and computers.

"hard core."

Mr Lagardere said matra would "easily reach" its forecast of FFr200m consolidated cations would probably be scaled down since the three had

# Hanoi seeks IMF loan amid signs of Kampuchea initiative

of its international economic

MIDLAND Bank, big British clearer, is to pull out of the UK institutional equity business with the loss of 200 jobs in the UK and 40 in Hong Kong, Page 25; Background, Page 3; Lex, Page 24 new lending.

The move came as a senior
US State Department official

drugs group, rejected the offer of \$4.1bn or \$72 a share from F. Hoffmann-La Boche of Switz-erland es "grossly inadequate."

VIETNAM IS seeking help from tion" and that Moscow, Hanoi's months, particularly since the International Monetary chief ally, was also getting younger leaders took over in Fund in an effort to break out tired of the situation.

isolation and restore its war-shattered economy.

Mr Nguyen Xuan Oanh, an ment to better relations in economic adviser to the Hanoi Government, said yesterday that Vietnam would borrow "a sizeable amount" from the IMF's Structural Adjustment

IMF's Structural Adjustment Fund.
Vietnam is one of five countries to have been declared ineligible for new credit by the IMF after building np payments arrears. It was unclear yesterday whether steps had been taken to remove this barrier to new lending.

said there were "signs of move-ment" toward a political settlement toward a point as settlement of the war in Kampuchea where Vietnam has up to 140,000 troops. Vietnam's invasion of Kampuchea in 1978 has been a prime reason for its continued international isolation. BENEDICTINE, French liqueur distiller with a stock market value of about FFr864m (\$152m), has rejected a take-over move by Remy Martin, the cognac house. Page 26

south-east Asia and a growing embarrassment to Moscow. embarrassment to Moscow.

Mr Sigur told a news conference it was hoped that a second round of talks between Prince being made outside Vietnam to Norodom Sihanouk, the Kampu-attract foreign capital. Mr Oanh is due to visit Australia, Singa-Isnan, Taiwan and the US chean resistance leader, and hum Sen, Prime Minister of the regime in Pnom Penh, would lead toward "a free and inde-pendent nation." The two are

Wednesday.

Mr Oanh, who was speaking to journalists in what may be the first of a series of briefings outside Vietnam since a liberal talist neighbours. The US mainnew investment code was passed at the new year, said growing number of non-commulation also wanted help from the IMF to simplify its multiple exchange rates and to curb exchange rates and to curb inflation as part of economic reforms that include a drive to attract foreign investment.

The Soviet Union underwrites the cost of the war in Kamputhea which is both an impediment to better relations in neighbouring Kampuchea are among the most serious prob-lems.

pore, Japan, Taiwan and the US in the next few weeks. These ead toward "a free and inde-efforts have been coupled with hendent nation." The two are growing hints by the leadership in Hanoi that Vietnam would soon pull out of Kampuchea.

interests in Vietnam.
"I think this marks a turning

point in our restructuring," Mr Oanh said of the latest develop-

A single or dual exchange as an indication of foreign system could be introduced in two months' time, he said.

As an indication of foreign interest in Vietnam, Mr Oanh said agreement had virtually Ecocomic reform has been been reached with Alcatel, the discussed publicly for several

**TO PARIS** FROM THE HEART OF LONDON.

From tomorrow, London's newest airport will once again be operating its Landon to

London City Airport provides the base for an exclusive partnership. Bryman Airways, the world's most experienced operator of De Havilland Dash 7 aircraft and Air France. offering the efficiency and convenience of Terminal 2 at Charles de Gaulle Airport. The service is called Cityclass and we'll be operating six flights

to Paris every weekday and two

Cityclass completes the picture

for Air France, as we're now the

only airline to operate out of all

at the weekend.

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four London airports.

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1600 Mon-fri 1500 Mon-fri

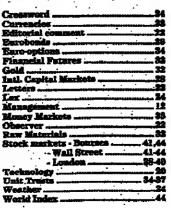
2000 Mon-fri 2000 Mon-fri

1900 Mon-Fri

1700 Mon-fri

For direct lights from London City Airport to Charles de Gaulle Terminal 2, cal Air France on 01-499 9511, or Brymon Airways on Linkline (0345) 717383.

### Europe Companies America . Companies Companies . World Trade . 7-10 Britain .... Companies. 30.31





SWITCHING EMPHASIS **FROM** QUANTITY TO QUALITY

Nissan Motor chairman Takashi Ishihara: arguing against the

cut-throat operators, Page 24

East Germany: crossing the east-west UK banking: Midland's unhappy venture into equities ..... Management: best form of attack ..... 12 Survey: Philadelphia ...... 15-19 Technology: Biotechnology starts to ful-Editorial comment: taxation of marriage;the peace process ......22

> Lex: Societe Generale, Asda, THF, Green-Foreign Affairs: Nato policy is ripe for

### **EUROPEAN NEWS**

W GERMAN OPPOSITION BACKS DOWN ON NUCLEAR SMUGGLING CLAIM

# Metals group takes over control of Nukem

DEGREEA, the West German inscions metals and chemical company, yesterday decided to take over provisional management control of Nukem, the scan-dal-ridden nuclear concern which had its operating licence withdrawn by the Government last week.
Yesterday's decision by

Degussa, which owns 35 per cent of Nukem, came as the Opposition Social Democratic Party (SPD) backed away from allegations that Nukem and its subsidiary Transnuklear had been involved in smuggling of fissile material to Pakistan and Libra. and Libya.
The allegations, made

public on Thursday, have caused considerable politi-cal confusion in Bonn. Yes-terday, Mr. Volker Hauff, the senior SPD deputy and former Technology Minis-ter, withdrew his earlier statement that he had proof that the Hanau-based Nukem and Transnuklear companies had violated the

Non-Proliferation Treaty. The state prosecutors office at Hanza, which is investigating the allegations, had earlier asked Mr Hanff to back up his state-

Ministry meanwhile said no new information had come to light over the fissile

material smuggling allegamaterial smuggling hiera-tions. However, government authorities and crime effi-cials are still investigating an alleged corruption net-work at Transunkiear which has led to irregular ship-ment of more than 2,800 falsely labelled drams of nuclear waste between West Germany and Belgium.

# Safety inspectors to visit Belgium plant

NUCLEAR safety inspectors will today visit a Befgian over further sliegations that R nuclear waste treatment plant had had been connected in involved in a row over the handling of radioactive waste as part of inquiries into whether to hunch European Community day emphasised that their controls on the transport of investigation would be no more than a "fact-finding mission". Brussels environment authorities of the based at the Bei-

The plant, based at the Belgian Centre for Nuclear Studies and 50 per cent owned by Belgonucleare, the nuclear energy

tles are to meet national experts from the 12 member

and 50 per cent owned by Belgoncleaire, the nuclear energy group, was thrown into controversy last year over the transport of allegedly highly radioactive material to Transmidear, a West German atomic concern.

Transmidear is being investigated by the International experies from the 12 member states on February 11

At present, IAEA rules govern the transport of all maclear waste and the storage of high radioactivity material. Some commission officials feel that EC rules would be easier to enforce and could be made tougher than the IAEA's

Last week, the communic

party newspaper Pravda said Soviet troops could start having the country on May 1, if Afghanistan and Pakistan signed an agreement by early March.

### FINANCIAL TIMES

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# IAEA confirms monitoring allegation by magazine

THE International atomic energy agency (IAEA) conmonitoring books. "I would not firmed yesterday that the facts" Mr Jennekens, clusions were wrong in Der Spiegel, the West German magazine which alleged that the IAEA said at a news ties in the IAEA said at news ties in the IAEA said at news the material which is currently would not say what was wrong the west Germany, had been monitoring books. "I would not involved in delivering pluto-deputy director of the Department for Safeguarding Activities in the IAEA said at news ties in the IAEA said at news the whereabouts of 188 the annual report," he said, of any problems in monitoring the Nukem plant, Mr Jennekens rial was being transported from The magazine report coincides with allegations that the The magazine also alleged that in March 1987, 70 sqs were nuclear companies in Hanau,

significant quantities (sq) of without glving any more fissionable material. That mate-details.

ble material which is currently under investigation by the public prosecutor in hanan.

Asked if the IAEA was aware of any problems in monitoring the Nukem plant, Mr Jennekens replied, "I'm absolutely certain that no one is in a position to make a categorical statement short Nukem." The IAEA were in the plant "every day".

### EC to give go-ahead for car exhaust controls in Ethiopia

PLANS to cleae up toxic have to fit this to large models exhaust emissions from small with engines of over two litres.

Once adopted by the commission, the standards for small special provides of the member states. Sources said yesterday, Router reports from Brussels.

Controls for medium and said.

Controls for medium and sald. large-size engines were agreed hy member states last July to

ments in engine technology and do not require a special clean-exhaust device, the catalytic drivers who refused to operate converter. Manufacturers will in the city centre yesterday.

reduce pollution, especially the acid rain caused by dissolved gases and said to destroy forests. Athens commuters will have

Almost 60 per cent of cars
registered in the 12-nation community have engines smaller attempt to fight smog in one of than 1.4 litres and are not covered by the controls agreed last leading private cars from the city centre, halving the number of taxis and introduced for small and medium using continuous working. trois for small and medium ucing continuous working vehicles can be met by improve-hours. hours

# Claes to spell out ideas on new Belgian coalition

BY WILLIAM DAWKINS IN BRUSSELS

MR WILLY CLAES, the former Belgian Economics Minister charged by King Baudouin to form a government coalition, will today outline to Christian Democrat and Socialist leaders proposals to end the country's political turnoil.

He has been struggling since the New Year, with little success, to hammer out a government programme and to assemble an administration to execute it. King Baudouin selected him after a general election last month plunged Belility of a three-party coalition including the Socialists.

# Italy set to give up EMS flexibility if UK joins

ITALY WOULD be prepared to give up the lira's larger freedom to fluctuate if the British pound were to become a full member of the European Monetary System, Mr Giuliano Amato, the Italian Treasury Minister, said yesterday.

Mr Amato's statement to a banking conference in Milan is a clear signal of Italian readiness to participate in moves to strengthen the EMS. He said that Italy fully supported recent French proposals to create a European central bank members for the lira to be subject to the same rules.

# Swedish strike prompts warning of lay-offs

SWEDEN's leading export companies warned yesterday that they would have to start clossing factories and laying off workers within a week if a strike by white-collar technical and clerical employees was not called off in the next few days.

The Swedish Union of Clerical and Technical Employees in Industry (SiF) called 50,000 members out on strike yesterday after the breakdown in talks between the union and the employers' organisation (VF) at the weekend.

The strike involves employees in leading export-oriented companies such as Volvo, the car manufacturer, Ericsson, the telecommunications and electronics concern, Saab-Scania, the automotive and serospace group, Asea Brown Boveri, the electrical engineering group, Alfa-Laval, dairy equipment and process engineeriog company, Electrolux, the white goods manufacturer, and SKF, the roller-bearing group.

With the Swedish government warning that wage increases where the spring wage negotiations have started on an acrimonious note.

The Industrial Employers' Organisation offered SIF an increase of 0.9 per cent which with compensation for inflation would mean an increase of 7 per cent and is demanding more infloence at the local union level in deciding where the increases go.

With their dependence on new technology for stock control and planning, the big industrial companies are particularly vulnerable to strike action by computer and administrative staff.

Volvo said yesterday that it had already started laying off bine-collar workers at its Torslanda car plant in response to the strike action and that by the end of the week, 80 per cent which with compensation offered SIF an increase of 0.9 per cent which with compensation offered SIF an increase of 0.9 per cent which with compensation offered SIF an increase of 0.9 per cent which with compensation offered SIF an increase of 0.9 per cent which with compensation offered SIF an increase of 0.9 per cent which with compensation offered SIF an increase of 0.9 per cent which with compensation offered SIF an increase of 0.

# **Red Cross food** relief continues

THE INTERNATIONAL Red Cross said yesterday that it had distributed food to 320,000 hungry people in northern Ethiopia since November despite its worries about the safety of relief convoys.

But it has still been dealed access to some areas in need of food, a spokeswoman for the International Committee of the Red Cross (ICRC) said.

ICEC President Cornello Som-maruga in November called on the Ethiopian Government and anti-government guerrillus to implement a policy of "open roads for survival" in the north to allow the safe passage of relief trucks.

"The reaction has been quite positive, but we would like to expand our operations further," spokeswoman Ma Catherine Peduzei said.

# Soviet Union to create job replacement centres

SOVIET anthorities have assure people they would not ordered the establishment of be out of a job because of the job placement centres across economic reforms. "All the workers can be sure that they expected to be laid off as a result of the Kremlin's economic reforms, the official newsagency Tass said yesterday, Keuter reports from Koscow.

SOVIET anthorities have assure people they would not be out of a job because of the conomic reforms. "All the workers can be sure that they worker it said, adding:

"At the same time, every worker should work at full strength, and appreciate the social guarantees given by the

Moscow. Under Soviet leader Mikhail Gorbachev's drive for economic Gorbachev's drive for economic efficiency, 60 per cent of the country's industries are to become "self-financing" this year, making them responsible for the cost of their operations. Many are expected to have to shed a considerable part of their workforces in order to survive. SUTVIVE.

Tass said job placement offices and training centres would open in 1988 in all parts of the Soviet Union, with local authorities deciding how many centres they need and where they should be located.

The Tass report sought to

Tass said workers had to be given at least two months' notice of a decision to let them go and that the new centres should help them find similar jobs in the same area, or failing that, suggest where they can go to be retrained for another job.

Unemployment was officially eliminated in the Soviet Union in 1930 but under Gorbachev's glasnost (openness) campaign, some Soviet officials have acknowledged that there are people between jobs and that some industries are overstaf-fed.

### **UN official** to hold new Afghan talks

BY CHARLES HODGSON IN

MR DIEGO Cordovez, the UN mediator for Afghanistan, is to begin a new round of consulta-tions with Kabul and Islamabed

tions with Kabul and Islamabad this week.

The talks fall ahead of the scheduled resumption of the scheduled resumption of the sponsored peace negotiations between the two sides in General in mid-February.

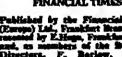
The official Soviet news agency Tass said the exact date for the resumption of the Genera talks would be agreed during Mr Cordover visit, but gave no further details.

There is speculation in Moscow that Mr Yuli Vormssov, the Soviet deputy Poreign Minister, will visit Islamabad before the re-opening of peace talks.

It is also thought he could

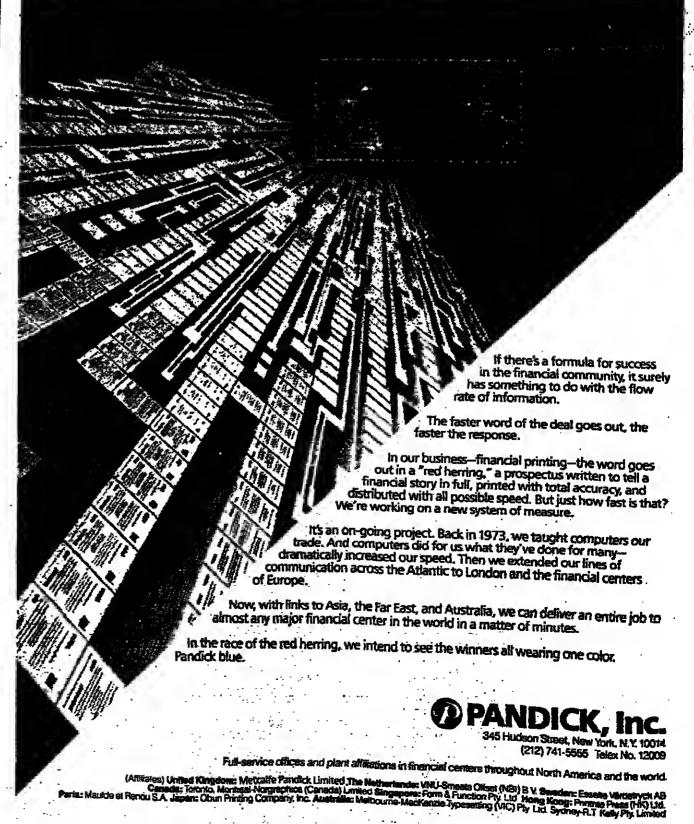
It is also thought he could meet Mr Michael Armacoss, US Under-Secretary of State for Political Affairs, who held talks in the Pakistan capital earlier

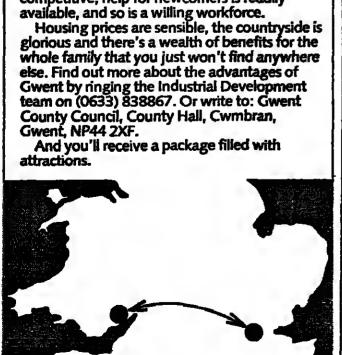
Mr Cordovez is expected to spend about 10 days shuttling between Kabul and Islamebad. His visit, which follows talks with Soviet officials in Moscow with Soviet officials in Moscow-last month, comes amid increas-ingly optimistic signals from both Moscow and Kabel that the next round of Geneva nega-tiztions could lead to a peaceful settlement and the eventual withdrawal of Soviet troops from Afghanistan.



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# THE QUEST FOR THE WORLD'S FASTEST RED HERRING





Part of Gwent's attraction is that it's so accessible. Just over the Welsh border and right on the M4, it's within easy reach of all the

for business and commerce. Rents are competitive, help for newcomers is readily

This county offers outstanding opportunities

major cities in Britain.

### Nato chief Leslie Colitt and David Marsh on the East Germans who cross the border and never come back backs missile upgrading

Gen John Galvin, says he favours the Western alliance quadrupling the striking range of its battlefield nuclear mis-siles under plans to modernise its nuclear stockpile. "I would like to see a moder-

nisation which would provide.... s longer-range surface-to-surface missile which would perhaps get out to 450km. Gen Galvin said yesterday on West German radio, Reuter reports from Brussela.

A CONTRACTOR OF THE PARTY OF TH

A STATE OF THE STA

THE PERSON NAMED IN

from Brussela.

"I hope that kind of modern missile will come along some time in the future," he said.

Gen Galvin, said such modernisation would not circumvent the US-Soviet Intermediaterange Nuclear Forces (INF) treaty which will eliminate ground-launched missiles with ranges between 500 and 5,500km.

Nato has 88 US-made Lance short-range missiles which can travel about 100km and which in a war could be used against

travel about 100km and which
in a war could be used against
massed tank formations.

In 1983, Nato committed
itself to a nuclear modernisation programme in which it
would develop and deploy a
"follow-on" Lance missile with
an extended range.

But the question of nuclear
modernisation has now become
politically sensitive with Nato

politically sensitive with Nato anxious to avoid charges that it is violating the new spirit of arms control deriving from the

The issue is a particularly delicate one in West Germany which has a big anti-nuclear lobby and where the Bonn government, unlike its affice, wants

ernment, unlike its allies, wants early talks to reduce short-range missiles.

As Nato's front-line state, West Germany is the logical country for short-range missiles to be stationed. "I-believe that we should continue the modernisation," Gen Galvin said.

"If we confuse the question of modernisation with the circumvention or somehow trying to substitute for the treaty, I think that would be bad."

On future arms control, Gen On future arms control, Gen Galvin said Nato should try to achieve conventional arms reductions in negotiations with the Warsaw Pact. "We need to know what is going on on the conventional side, that's the side where the real danger is



EAST GERMAN Protestant churchmen say the opening of the borders with West Germany for travel by ordinary East Germans appears to have led to a sharp rise in the number of citizens who fail to return home. The number of refugees rose last year to the highest since 1973.

inst year to the highest since 1973.

The trend is said to have come as something of a shock to the East German leadership. It had hoped that by granting-more visiting permits to citizens they would be satisfied to remain in East Germany.

Official West Germany.

Official West German figures show that escapees last year rose to 6,252 from 4,660 in 1986 and 3,484 in 1985. Only a relatively small number 288 last year against 210 in 1986 fied to the West scross the Berlin wall or the fortified East-West German border.

The majority made their way to the Federal Republic or West Berlin by staying on after an authorised visit, or by entering via s third country.

The churchmen on the other side of the frontier, however, say that high-ranking party officials recently told them that some 12,000 East Germans remained in West Germany last year after making an estimated 5m visits.

Most alarming, the party figures indicated that the trend of visitors falling to return rose steeply in the last four months of 1987. They showed that at the beginning of last year less than 0.2 per cent of the East

Germans allowed out to the West remained there. By December, however, the num-ber had swelled to 1.5 per cent. ber had swelled to 1.5 per cent.

Bonn says East Berlin allowed 1.29m temporary visits to West Germany by East Germans of under pensionable age last year. This was double the figure of 573,000 in 1986, and nearly 20 times the 66,000 trips hy younger East Germans in 1985.

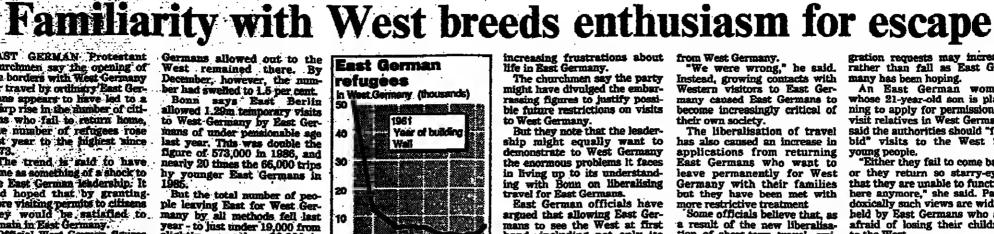
But the total number of people leaving East for West Germany by all methods fell last year to just under 19,000 from slightly more than 26,000 in 1986 owing to a more restrictive East German attinude on granting permission for permanent emigration.

Additionally there was a fall in the number of East Germans given sentences for political or other offences and subsequently "bought free" by West Germany by methods for political or other offences and subsequently "bought free" by West

other offences and subsequently "bought free" by West Germany.

Numbers traded under this shadowy "cash for prisoners" arrangement, which totalled around 2,000 in 1986, are believed to have been around 1,000 in 1987. These include some East Germans freed under some East Germans freed under the East German prisoner amnesty at the end of 1987.

amnesty at the end of 1987.
East Germany's anthorities were said to be especially disturbed by the large number of doctors who refused to return after visiting the West, the result of their refusal to accept Western officials believe the increase in temporary travel may, in the short term, reduce doctors who refused to return after visiting the West, the result of their refusal to accept applications from doctors to the Federal Republic say, the may refuse the result of their refusal to accept applications from doctors to the Federal Republic say, the may refuse the result of more compared.



and other professional people in East Germany is heightened by the enormous gap in salaries between East and West Ger-many.

miny.

The escapee figures underline the longer-term risks run by the East Berlin leadership in its policy of allowing far more East Germans to make temporary visits to West Germany (despite dampening the risk that short-term travellers could abscond by meventing families. abscord by preventing families or married couples from visit-ing together).

Western officials believe the

emigrate legally to the West.

Dissatisfaction among doctors

new policy of more openness could be counter-productive by

increasing frustrations about life in East Germany.

The churchmen say the party might have divulged the embarrassing figures to justify possi-many caused East Germans to be a superscript of the churchmen and the control of the churchmen and the control of the churchmen and the chu ble future restrictions on visits

to West Germany. But they note that the leader ship might equally want to demonstrate to West Germany the enormous problems it faces in living up to its understanding with Bonn on liberalising travel for East Germans.

East German officials have

argued that allowing East Germans to see the West at first hand, including not only its wealth but also its problems of wearn out also its problems of unemployment, is designed to tone down the exaggeratedly positive image many East Ger-mans have about the Federal Republic.

They had apparently believed that growing exposure to nega-tive aspects of Western life such as drugs, crime and super-ficial values would have a neg-ative effect. But instead, East German travellers returned home with glowing reports about s land of milk and honey.

about s land of milk and honey.
The stagnation in East German living standards in recent years has undoubtedly played a role in the growing frustration with life in a highly-planned and regimented society.

A West German diplomat in East Berlin noted that in the 1970s it was widely believed in the West that a "national" East German consciousness had German consciousness had taken hold among citizens dur-ing the decades of separation

become increasingly critical of

their own society.

The liberalisation of travel has also caused an increase in applications from returning young people, "Either they fail to come back leave permanently for West
Germany with their families that they are unable to function but they have been met with more restrictive treatment doxically such views are widely

Some officials believe that, as a result of the new liberalisa-tion of short-term travel, emi-

An East German woman whose 21-year-old son is plan-

ning to apply for permission to visit relatives in West Germany said the authorities should "forbid" visits to the West for

held by East Germans who are afraid of losing their children

### **CIVIL RIGHTS MARCHERS HELD**

THE East German authorities have taken into enstedy nearly 30 members of independent civil rights and pendent civil rights and peace groups in East Berlin who took part in an official rally on Sunday commemorating the murder in 1919 of the German Communist leaders, Rosa Laxemburg' and Karl Liebknecht, writes Leslie Colitt in Berlin. Leslie Colitt in Berlin.

Fifty civil rights supporters mingled with the crowd and tried to unfurl banners including one quoting Rosa Luxemburg: "Freedom is always only the freedom of the dissenter."

Several civil rights activists were prevented from leaving their homes for the

Mr Stephan Krawezik, a folk singer forbidden to perform in public because of his political views.

The detentions follow a climbown last month by the anthorities after s raid on a Protestant church rectory. Seven people found printing an unofficial environment bulletin were arrested but later released after unusually strong pressure from the Church. It was seen as a victory for the growing East German human rights move-

last week in East Berlin crigroups supported by the church for using the West-ern media to "force" state

after winning n 17-year battle to emigrate that included a prison spell and Siberian exile, AP reports from Moscow.

"Now that I'm going, I feel even more the wishes and dreams of those I leave behind, and who want to live as Jews, Mr Begun, 55, said before take off at Moscow. Well-wishers crowded around Mr Begun, and

**Activist** 

Moscow

for Israel

JEWISH activist Mr Josef

Begun flew from Moscow yes-terday to join "three million sis-ters and brothers in Israel"

leaves

his wife Inna. "We will not forgot those we are leaving," Mr Begun said. "That's the most important

thing - not to forget."

Mr and Mrs Begun, Inna's
mother Dvoira Lazara and Mr
Begun's soo Boris, with his wife and their two children, left for Bucharest. They will leave for Israel today from Romania, the only Soviet bloc nation to have diplomatic ties with the Jewish

Mr Begun taught Hebrew and Jewish culture in Moscow, and was in the forefront of the

In 1983, he was sentenced to seven years in prison for anti-Soviet agitation and propa-ganda and served more than three years of his term in Chistopol prison in the Ural mountains.

# by 4.5%

SPAIN'S gross domestic product grew by an estimated 4.5 per cent last year compared with 3.3 per cent. in 1986, according to the Bank of Spain's latest monthly report, Renter reports from Madrid. The estimate is based on the first three quarters of 1967.

Gross capital formation rose by an estimated 14.3 per cent, the same as in per cent, the same as in 1986, white domestic demand was up by an esti-mated 7.2 per cent (6.8 per

mated 7.2 per cent (6.5 per cent).

"All indicators confirm the vigour of national demand, based on high growth of public and private demand, and the extraordinary increase, in goose capital formation," the report said.

Nominal salaries rose by a settlement 7.5 per cent

nominal salaries rose by an estimated 7.5 per cent during the year, against 9.3 per cent in 1986. The number of registered unemployed, which last month rose above 8m for the first time, was not fall-ing because the active popu-lation was increasing as lation was increasing as fast as job creation.
Investment in capital goods showed "extraordinary dynamism," the report said. Imports of capital goods rose by more than 40 per cent in the first three

Gen Galvin

# Do seat belts restrict your thinking?



Somehow you can't quite imagine Albert Einstein mulling over a mind-bogglingly brilliant concept strapped into a plane with a pre-packed lunch on a plastic tray.

Or Wolfgang Amadeus Mozart composing his Horn Concerto in E flat in a car in a contrattow.

Can you picture a tycoon planning his next take-over whilst overtaking in the rain?

Some forms of transport, it seems, are just not conducive to constructive thought.

Consider an alternative. Consider InterCity.

First Class passengers sit relaxed watching Britain whizz past at up to 125 miles per hour.

They order food and drink from attentive waiters.

Briefcases snap open. Reports, previously rendered incomprehensible by jangling office phones, suddenly make sense.

Someone scribbles figures on a scrap of paper, devising a budget with tax at 20 pence in the pound. (We should be so lucky.)

Someone else attempts to recall Arnold Palmer's 18 best golf holes in the world.

Crosswords are cracked, often in record time.

A brilliant response to Karpov's latest opening gambit comes like a bolt from the blue.

People catch up on their reading, go for a stroll or formulate strategies. They arrive feeling fresh, relaxed, more alert.

Their minds have been stimulated, sometimes by doing nothing. Makes you think, doesn't it?

# Pontiff works his magic on the press

Demonstrating that they were no less immune to the Pope's the faithful who have turned ont to greet him around the world, journalists jostled for position to shake the pontiff's hand when he entered the small, overcrowded and overheated room at the press cen

Once on the platform he took out three pages of notes and issued first a warning and then a promise. They have prepared this for me to read first, then we can talk about something else," he said.

100

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His formal remarks showed his formal remarks showed no small understanding of the lot of some journalists. "You feel the pressures of power — both ideological and economic — which try, to influence your work. At times you are saked to write on themes, and subjects which are distant from, or even contrary, to your principles."

The formal speech duly read, a couple of the scarlet frocked gentlemen in his retimes surant

gentlemen in his retinue surang to their feet, possibly hoping for a quick exit. But the Pope stood his ground at the micro-phone and, to the surprise of

most present, invited questions.

The first, on how he liked travelling with journalists, prompted a reflection on an Aristotelian precept on the need for admiration and wonders and a complete that he der", and a complaint that he had expected tougher questioning. This encouraged a Tunisian journalist to ask what he thought of recent scenes of the disruption of religious activities

Attacks on people at prayer in the mosques of Jerusalem were "totally unacceptable," said the Pope. On the broader

A FORMAL visit by Pope John already made it clear that the Paul II to the Foreign Press. Vatican supported the rights to Association in Rome on Sunday a homeland of both Jews and evening became the occasion Palestinians. He fully underfor an unprecedented news conference touching on the possibility of a papal visit to the Soviet Union and events in my own homeland, Poland, the meaning of genocide. Number-less people were exterminated only because they were Jews raiestinians. He fully under-stood the sufferings of the Hebrew people. I discovered in my own homeland, Poland, the meaning of genocide. Number-less people were exterminated only because they were Jew-ish.

possible visit to the Soviet Union this year, the 1,000th anniversary of the founding of the Russian church, that the

John Wyles in Rome reports on a papal visit to the city's Foreign Press Association which turned into an unusual opportunity for overseas journalists to question John Paul

II on a wide range of

international topics

Pope reserved his fullest answer. If he were to go it would have to be "a real visit in would have to be "a real visit in response to a real invitation" which had not yet arrived.

Such a visit would be important not just for its religious aspect but also for "living together in the world." For the first time, however, he put great stress on the med for him to be able to visit Russian Catholics "wherever they are."

This meant not only Latvia and Lithuania but also the Ukraine where the Church was "clandestine and illegal." Vati-

"clandestine and illegal." Vatican sages at the press bar afterwards were offering very iong odds against Mr Mikhail Gorba-chev rolling out the red carpet

MR RONNIE DE MEL. Sri Lanka's long serving Finance Minister and the man credited with keeping aid and foreign capital flowing in the country's troubled economy, resigned yes-

terday.

His departure follows a growing differences with Pres Junius Jayewardene and hardline Sinhalese in the Cabinet over treatment of Sinhalese youth and in particular the pro-scribed extremist JVC Sinhalese

Buddhist group.

Mr ds Mel has advocated lifting the ban on the JVC, which has preached revolution in the south of the island, and opening a dialogue with the JVC leadership about employment and other assistance for Sinhalese

youth.
President Jaywardene bas eschewed this concilistolry approach and has espoused a hardline against all terrorists, Tamil or Sinhalese. Sri Lanka's population is over 75 per cent

The minority Temils have been in bloody conflict with the majority for the past four years. One of the most militant of the Tamii groups, the Tamii Tigers were only subdued with the arrival of Indian troops six

months ago. Mr de Mel gave no official reason for his resignation. He said he will remain a member of the United National Party and a backbencher. Under the consti-Jayewardene in 1978, resigna-tion from the party would have automatically have cost Mr de Mel his seat. The decision quashes rumours that he had been offered a top international

Mr de Mei a highly respected figure in international banking fighting. circles showed no bitternes when he bade farwell to his top ministry and central bank offi-

### Iraqi murdered

Summen who opened fire in the lobby of the Khartoum Hilton Hotel killed an opponent of Iraqi President Saddam Hussein and wounded the victim's nephew, witnesses and police said yesterday, AP reports from Khartoum, Mr Mahdi al-Hakim died on Sunday night from three gunshot wounds to Richard Evans in Miram Shah reports on a fluid frontier where lawlessness abounds

# Heroin and bullets power Afghan black economy

this dirt street border town five miles from the Afghan frontier, there is not much you cannot buy if you have enough money and you know who to talk to. in fact, the entire town is a market. In the bazaar stalls

that line its crumbling alley-ways you can buy Russlan irons, radios, stoves and other irons, radios, stoves and other appliances far cheaper than you would find them in Moscow or Leningrad. According to local traders, not all such goods are smuggled out by small-time Afghan entrepreneurs. The Soviet armed forces and the Kabul government, they say, are also heavily involved.

More worrying to Pakistani authorities is the rampant black

authorities is the rampant black market for guns and beroin found in Miram Shah and throughout the Pathan tribal areas in Pakistan's Northwest Frontier province which fronts the Afghan border. Here is sold some of the purest and cheapest heroin to be found any-where in the world. You can also buy anti-tank rockets and launcbers, machine guns, ammunition, land mines and even light cannon which can

Seven die

in black

townships

By Anthony Robinson in Cape

bring down low-flying aircraft.
Right now the tribesmen are only using their weapons against their enemies," says Many problems are due to the Army celebrates Khost battle

heavy guns and rocket lauschers paraded in Kabul yesterday as the Afghan army celebrated last month's victory over Moslem insurgent forces around the eastern town of Khost,

tal took the sainte at the parade in the Afghan capi-tal's Revolution Square. In a speech at the cere-

the Afghan unity. He told the troops it was

enormous influx of weapons, mainly through US military aid, meant to arm the Afghan resistance. Corruption is rifs, however, and many of these arms go astray. Some Mujahideen leaders stand accused of selling off their arms in Pakistani bazaars and investing the

which he launched a year ago in an effort to persuade the insurgents to lay down their arms and help form a coalition administration.

He said the situation in the town had returned to normal, now that a guerrilla blockade had been lifted. Soviet and Afghan govern-ment estimates have put the number of dead among the insurgents - who had prevented food reaching the town by road for three months - at up to 2,000.

The guerrillas in Pakistan have devied this, saying they inflicted heavy casualties on Soviet and Afghan army units which took part in the battle.

money in foreign properties and Swiss bank accounts. Critics of General Zia ul-Han's Pakistan government also claim that Pakistani officials, both civil and military, are up to

officers when they arrive in the country and are then passed on to the Afghan leaders," says Wall Khan, a leftwing opposi-tion leader who has been frequently detained and jailed for his outspoken attacks on gov-ernment corruption. Only angels could refuse such oppor-tunity and there have never been any angels in this govern-

There are certainly a lot of guns. The US alone provided some \$600m in military sid to some \$600m in namery and to the Mujahideen last year. Per-haps another \$400m came from China and various Islamic nations. That is roughly 10 times the support given to Nicaragna's Contra insurgents during 1987.

The situation is complicated by the presence of some 3m

by the presence of some 3m Afghan exiles in the Pakistani provinces of Northwest Fron-tier and Baluchistan which tier and Baluchistan which share borders with Afghan-istan Most live as refugees, but others are rebel fighters or sim-ply armed opportunists. Many are also Pashtu-speaking ethnic Pathans, indistinguishable from many Pakistani nationals living in these areas. This maloss it extramely difficult to know

extremely difficult to know exactly who is responsible for the spiralling violence and

Due to the flight of the refu-tees, the Pakistani-Afghan border has, in effect, moved eastwards some 50 miles. Peshawar is now really more of an Afghan city than anything else.
The Afghan Pathans have brought their tribal customs and their rough tribal code of justice with them into exile.
Though most Pakistani Pathans abandoned the tribal way of shandoned the tribal way of life decades ago, some, especially the young, seem to find the notion of carrying a Kalsahnikov and joining a classincressingly attractive. It is an easy way to gain power and influence.

Heroin is the most wahushis Heroin is the most wantane prize of all. According to US drug control officials more than a third of all heroin sold on the Streets of western Europe and North America comes from the Afgban-Pakistani border regions. Heroin addiction has regions. Heroin addiction has become a great problem in Pak-istan and addiction feeds the accelerating cycle of robbery and violence which has made much of the Northwest Frontier virtually ungovernable.

Richard Evans is a journalis specialising in Asian and Islamic affairs. He recently returned from his fourth trip to

### Filipinos vote after 93 die in campaign

By Richard Gourley in Manife

MORE THAN 20m Pilipinos MORE THAN 20m Philphose voted yesterday in mostly peaceful local elections at the end of seven weeks of often violent nationwide campaigning which left 93 candidates and party help-

As polling closed, President Corazon Aquino wel-comed the peaceful election day and praised the people's "faith in the demo-eratic process". The polis complete the replacement of appointed with elected officials in the transition from dictatorship to democracy that Mrs Aquino initiated soon after President Ferdinand Marcos was ousted nearly two years

The relatively peaceful polis will also etrengthen confidence in the Government and bolster the coun-try's economic recovery, leading businessmen said.

### Tan admits breach of trust

By Wong Sulvey to Kuela

THE MALAYSIAN businessman and politician Tan Koon Swan (48) vesterday pleaded gullty to criminal breach of trust in respect of Eingelt 23m (25m) belonging to Multi-Purpose Holdings, the Chinese investment group of which he was formerly managing director.

The offence carries a maximum juli term of three years. Sentence will be announced on February 4.

February 4.

The case involves the transfer of the money from MPH to Singapore in late 1985 where it was used by Tan to try to rescue Pan-Electric Industries, the maxine, salvage and hotel street.

group.
Pan-Electric's collapse caused
a three-day closure of the Sin-gapore and Malaysian stock
markets, and led to Tan's arrest and conviction for stock market manipulation for which he was

manipulation for which he was sentenced to two years in jail term by a Singapore court.

Tan is the former president of the Halaysian Chinese Association, the largest Chinese political party in Malaysia and a member of the coalition government. His three companies, Grand United Holdings, Supreme Corporation and Everpeace, remain suspended on the Malaysian exchange.

### China-Macao airport plan

CHINA has suspended plans to build an international airport in Zhuhai near the Portuguese enclave of Macso, Chen Wenlai the vice mayor of Zhuhai said yesterday, Ecuter writes from

He told Macao government television that Chins would join the territory's own plans for an airport, scheduled to be ready in late 1992.

The south China city of Shen-zhen, bordering Hong Kong, plans to build one,

### Roh Cabinet offer

Mr Roh Tae-Woo, South Korea's president-elect, said yesterday he planned to fill some ministerial posts with opposition mem-bers to form a "suprapartisan" cabinet, AF-DJ reports from Seoul. He said he would sak the opposition to recommend suit-

### TANKS, armoured care,

For all practical purposes the border between Afghanistan and Pakistan's Northwest Frontier disappeared years ago, as Afghan refugees, Mujahideen guerrillas, smugglers and bandits roamed back and forth on their resievatheir various missions. In Pakistani military parlance the border is termed "highly permeable."

able."
Lawlessness abounds. It always has in the tribal zones where Pakistani anthorities have long required Western aid workers and journalists to apply for special permits before travelling and where no Westerner is allowed unescorted.
But since the Spring invasion of But since the Soviet invasion of Afghanistan in December 1979 things have gone from bad to worse.

Bombings, murder and kidnap are on the rise. Armed robbery

Northwest Frontier province

Police Inspector. "But the day may come when they turn the guns on each other or on the

law enforcement agencies."

is commonplace. While some incidents are the result of duels between Afghan rebels and Kabui government agents, many are others are the settling of personal rather than political

### also a victory for the policy of "national reconciliation"

Reuter reports from Kabul.

Jet fighters flew past and
helicopter gunships clattered overhead as Sovietbacked President Najibul-

in a speech at the cere-mony, witnessed by Moseow-based foreign reporters flown in from the Soviet Union overnight, Mr Najibullah said the army's success at Khost symbolised

their eyes in black market arms dealings. "The arms come into the hands of Pakistani army

CONFERENCE DISCUSSES IMPLICATION OF REGIONAL GROWTH

# East Asia challenges the economic order

BY ROBIN PAULEY, ASIA EDITOR

ANOTHER upsurge of violent death in the black townships around Pietermaritzburg claimed seven lives on Sunday night and dashed hopes of a truce after the recent joint UDF-Inkatha statement calling on their supporters to stop EAST ASIA'S aggregate gross "Resonrce endowment pre-national product will have cludes the former while the grown to about 22 per cent of relations in north-east and the world total by the year south-east Asia are still too vol-2000, about the same propor-atile for the emrgence of a col-tion as each of North America lective regional system," he and Western Europe. In 1960 East Asia's economy

was only half of Western Europe's and a third of North on their supporters to stop Europe's and a third of North
America's. A gigantic geographic shift of wealth and economic resources is therefore China and the Assan states all
currently under way, the implications of which were discussed dent on the US.
at a special confence of the
UK-Japan 2000 group. The ence will be an important for
group was set up in 1984 as n the region and this will place
bilateral forum to promote better long-term relations between US-Japan relationship which is
Japan and Britain. Among the victims was a two-year-old child shot in his mother's arms at a village near Greytown 80km north of Pietermaritzburg. A man was burnt to death and three others injured when a petroi bomb was thrown at their house by a mob, police said. Other victims died in Pietermaritzburg townships after a series of knife, gun and arson

attacks between members of rival gangs. At least 42 people have died in the fighting so far this year. countries, China and members US security commitment while of the Association of South its economic vitality threatened East Asian Nations) was the US economic supremacy. Last week the police said 246 people had been killed between September and January 10, but the real death toll is believed to unlikely to become an autono-"In other words the US is at the mous economic bloc or a com-losing end on both counts." prehensive reginal union. Nevertheless the process of

### Crucial

The US involvement would be

Japan and Britain.

Mr Masahlde Sblbusawa, increasingly adversarial.

director of the East-West Seminar, said East Asia (Japan, suffered a built-in contradic-Asian newly industrialised tion: Japan had to rely on the

Mr Shibnsawa thought it most likely that newly industrialising countries would join the "bandwagon" once US-Japan co-operation took clearer shape. "One may even argue that East Asia may try to help revitalise the US economy and, in return, retain its political influence, sing our non for the region's sins qua non for the region's stability and prosperity." Sir Michael Palliser, chairman of the Midland Hank Group,

tial participation in its financial

said the phenomenal export-led growth of Asia's four NICs – South Korea, Taiwan, Hong Kong and Singapore – resulted in significant trade imbalances tionism, the demand for which nies.

Japan-US integration seemed to be progressing through massive sures were needed as the negative impact of general protections on world growth was tive impact of general protec-tionism on world growth was far more damaging than any rt-term benefits accruing to Mr Shibnsawa thought it individual nations. But if a more measured

response than protectionism was to be achieved the NICs themselves would somehow have to be brought to accept that they have been the main beneficiaries of the moves to maintain an open global trading system and that, by trading in manufactures they and the industrialised countries were interdependent.

As competition from poorer Asian countries increased the South Korea, Taiwan, Hong Asian countries increased the Kong and Singapore – resulted in significant trade imbalances with the US and Western mirroring Japanese experience. Europe combined with high import penetration of certain markets. One possible response to the challenge posed by these trade imbalances was protectionism, the demand for which rises.

able persons as Cabinet minis-ters. However, he did not say how many and what posts would be offered.

# **AMERICAN NEWS**

# Contras object to terms for ceasefire talks

have been much higher.

BY PETER FORD IN MANAGUA

CONTRA LEADERS have raised their first objections to Nicaraguan president Daniel Ortega's new offer of direct ceasefire stipulates that governments in a global manner," he said on talks, insisting that civic oppo-sition groups join in the negoti-

At a secret meeting in Gustemala just before last weekend's groups.
summit of central American internal political party leaders talks with the Sandinistas. The Nicaraguan government

must negotiate ceasefires with Sunday. "If there is going to be their guerrilia enemies but an agreement on a ceasefire, called for political dialogue clearly there has to be a political with unarmed opposition cal basis."

The Contras and the "Demo-cratic Co-ordinator" which groups the Sandinistas' flercest domestic opponents, are now seeking to stretch that point.

The Nicaraguan government has repeatedly refused to enter any sort of political negotiations with the rebels, and President Ortega reiterated that Ortega reiterated that Contra spokesman. "The gravette Nicaraguan situation tions with the rebels, and President Ortega reiterated that stance on Saturday.

"We are totally clear that this is a question of arranging a ceasefire ... specifically that," he said.

and ceasefire negotiations," arrested on Four leaders of the opposition "Co-ordinator," arrested on Frity of the Nicaraguan situation requires that we all sit down together."

Christian Democrat party gua's Interior Minister said.

The Esquipulas peace pact provided for political discussions between the government and local opposition in a "political dialogue." That dialogue is currently stalemated in Nicaragun over the opposition's demands for 17 reforms to the

Alexander Nicoll reports on the World Bank's assessment of developing country debt

# Hint of optimism on plight of the poorest

THE World Hank's annual in loan loss provisions by many assessment of developing country debt, published today, "There was a disturbing sense underlines what has been that formal procedures for

itself a little cautious optimism about the the poorest countries.

increasingly evident during a managing debt problems were tumultuous year for the five being overtaken in 1987 by year-old debt crisis: that it has informal procedures," the Bank

in fact become two separate says.

debt crises.

The pight of the poorest ress requires a franker recognitions of sub-Seharan Africa tion by leaders in the industrial is clearly worse than those of world of the likely conditions the middle-income problem under which solutions will now debtors, which are mainly in have to be pursued and a significant expansion of the options Latin America. icant expansion of the options
The Bank, however, allows available for overcoming diffi-

Overall, the bare figures about the the poorest countries.

Official international initiatives; it says, have recognized though they indicate some marthe urgency of their debt problems, though it warns of the necessity to keep the momentum going in 1988.

Much less sanguine is the maned \$1,120bm in 1986 to an estimated \$1,120bm in 1987 and is mared \$1,120bm in 1987 and is projected to reach \$1,245bm in 1988. This was a nominal ors and their creditors during increase of 64 per cent last 1987 — which saw Brazil's universe; but a gain of 2 to 2½ per lateral suspension of interest cent in real terms after adjustlateral suspension of interest cent in real terms after adjust-payments, similar actions by ment for exchange rate smaller debtors, and increases changes.

Public and Private Long-Term Debt and Financial Flows in 109 Developing Countries (US\$bn)

Debt disbursed and Outstanding 498.0 556.9 639.4 713.8 783.6 870.7 930.5 124.3 116.6 99.1 92.3 88.7 85.7 90.0 91.4 84.2 66.5 58.6 57.3 47.5 49.0 Debt Service
- Principal
- interest

New loan disbursements from both public and private lenders increased slightly. Debt service payments also increased, however. Interest payments showed little change, with the rise in rates being counterbalanced by suspensions. The effect was that net transfers out of develancing countries dropped oping countries dropped slightly from \$30.7bn to \$29bn.

1981 1982 1983 1984 1985 1986p 1987e

35.2 17.8 7.1 -7.3 -20.8 -30.7 -29.0

negotiations with creditors and

leave no doubt of their con-

programmes more realistic, the Bank drew attention to perhaps the most disturbing aspect of the crisis: that it has been occurring over a period of eco-nomic growth in the industri-alised world. "If a collaborative solution to debt problems is not found while the expansion continnes....what will be the chances for a solution during a After the unilateralism of 1987, the Bank stresses the need for co-operation. It urges debtors to renew or continue

tistives to reduce the burden of

interest payments on debtors, such as Bolivia's debt buyback

Though it welcomed such alternative schemes and official

initiatives to make adjustment

"Growth in the debtor countries remains the key. The obstacles holding it back must be addressed urgently," it con-

timed commitment to the world Debt Tables. External adjustment process." Banks Debt of Developing Countries, play a full part in supporting the World Bank, Washington DC.

FORMER FOREIGN MINISTRY OFFICIAL SEEMS SET FOR VICTORY

# Candidate admits Haiti poll 'irregularities'

THE CANDIDATE widely bets on the assumption that he expected to be the overall winner in Haiti's presidential electory to diplomats here. expected to be the overall win-ner in Haiti's presidential elec-tions admitted on Monday there had been some irregularities and that turnout in the capital had been low, agencies report from Port an-Prince.

Mr Leslie Manigat won easily in Gonaives, the country's sec-ond-biggest city, and was thought to be shead in most areas as a result of Sunday's general election, radio reports Mr Manigat, a 57-year-old former backer of the ousted

cent in the north of the coun-He also admitted there had been "irregularities" but said

tion of, say, the British people," he said. Mr Gregotre Eugene, a leading candidate reported to have won the vote in some areas, said he might join the opposition.

Mr Eugene, a 62-year-old law-yer, appeared to be covering his

'I don't think the Haitian people would accept results which don't reflect their sentiments," he said. "If that bappened, there could be unforeseeable

"I am prepared to return to

"sham" in radio broadcasts on

right majority, a run-off will be "We thank the people who know who their credible lead-ers are," said Mr Sylvio Claude, who ran in the November 29

election that was cancelled at least 34 people were killed at polling stations. Afterward, the junta replaced scheduled Sunday's vote and

Many say it takes the nation back 30 years to the start of the Duvalier dynasty.

the capital yesterday and businesses reopened for the first time since Friday. The opposition had called a weekend general strike to protest the bellot-interaction and protest the bellot-interaction which was a success of the interaction of

# Ortega concession tilts scales against US boosting rebel aid PRESIDENT Daniel Ortega's majority in the House and Sen-funds to be frozen until it is

offer to hold direct talks with the Contra rebels and to sus-pend the state of emergency in Nicaragua has temporarily tited the scales against Con-gress approving further mili-tary aid to the US-backed resis-

That is the initial assessment of Republicans and Democrats who are set for a showdown vote on Contra aid on February 3 and 4 when Congress considers a request for further aid from President Reagan. However, several unknowns including the degree to which President Ortega can fulfill his promises and the size and nature of President Reagan's

a shrewd tactical move to persuade Congress to cut-off Contra aid. Whether the Democrat

- including Congressman Lee

Hamilton of Indianis - apparently urged the Nicaraguan delegation at the San Jose summit option which leads to a last week to make the concessions or face renewed Contra

The tactic is therefore likely to the to play deep Precident Outs.

willitary aid.

With the new Nicaraguan promises in hand, these Democrats - including Congressman question is whether Washing-Dave Bonior of Michigan and ton feels ready to opt for a Senator Christopher Dodd of more ambitious role by engagmore persuasively than before that Contra military aid will Mr Reagan himself outlined a congreto the regional neace plan

including the degree to which President Ortega can fulfill his promises and the size and nature of President Reagan's aid request - make the final outcome unclear.

US officials said yesterday that the Administration's strategy remains unaffected by President Ortega's last-minute concessions at a Central American summit in San Jose, Costa Rica: "It is to persuade Congress that Ortega cannot be trusted and that there is a need for an insurance policy," said one senior official.

Washington views President Ortega's political concessions as a shrewd tactical move to persuade Contract and the size and that there is a need for an insurance policy," said one senior official.

Washington views President Ortega's political concessions as a shrewd tactical move to persuade Contract and the size and the size and to contract military aid will a scenario last October in a Senator Dodd says he hopes Mr speech to the Organisation of Reagan will withhold a request American States. If and when, the Contract number of policy and that President Reagan plans to without retribution, rather than the contract number of a request in about 10 through force of arms, US military aid will Mr Reagan himself outlined a torpedo the regional peace plan. Senator Dodd says he hopes Mr speech to the Organisation of Contract funding.

The White House has said to "contest power politically that President Reagan plans to without retribution, rather than the contract reduction a request in about 10 through force of arms, US military and will withhold a request and about 10 through force of arms, US military and will withhold a request and such that President Reagan plans to "contest power politically that P

ate buys this interpretation is reasonably clear whether Presi-less certain. dent Ortega is acting in good Several influential lawmakers faith.

be to play down President Orte-

Duvalier regime, admitted that the turnout was low in the capi-tal, but said it was higher in the provinces, and up to 60 per

this happened in all countries. The Haitian people had not a real democratic vote in 30 years and "can't be expected suddenly to reach the perfec-

"I am prepared to return to the opposition to take up the struggle, as I did under Duvalier, he said.

The four-party opposition coalition which boycotted Sunday'e poll called for it be declared null and void.

Three of its leaders, Mr Marc Bazin, Mr Silvio Claude and Mr Gerard Gourgue, slammed the elections as a "fraud" and a "sham" in radio broadcasts on

Monday,
There were 11 presidential candidates. If none wins an out-

the independent Electoral Council with its own council,

issued iaws giving it control over the balloting.

Western diplomats estimated that between five and 10 per cent of Haitians voted in Portsu-Prince and 20 to 40 per cent in the provinces.

The outstanding question in Haiti yesterday posed by most educated Haitians as well as by diplomats, was whether the military junta and the new government could win any degree of credibility for the elections.

The fact that the junta effectively organised the poll was the reason most Haitians boy-cotted it.

The vestern diplomats estimated didates. At some stations, journalists saw alips for only one or two anilities. Mr Manigat ballots.

The maitians to the per cent of Haitians ballots.

The outstanding question in Haitians as well as by candidates responsibility for or voter turnout figures. The military proclaimed ballots information Ministry referred to release any results or voter turnout figures. The military proclaimed Sunday's balloting a success. Official results are not expected until next week, though preliminary tallies could come this week.

Public transport resumed in the capital yesterday and businesses reopened for the first.

the Duvalier dynasty.

Manigat was a close friend of Mr François "Papa Doc" Duvalier and was an official in the Foreign Ministry for four years under the dictator.

According to the electoral law, "zealous" Duvalierists were banned from the presidential race but Mr Manigat was not considered to be in that category.

The boycotting of the poll by most Haitians had been widely seen by diplomats and foreign journalists, surprised many.

Most polling stations did not in man cause a weekend general strike to protest the belloting, which was organised by the military-led junta.

No violence was reported in the balloting, but there were reports of bribary, people voting more than once and ineligible voters casting ballots.

Everyone here and in the countryside closed their doors (on Sunday). For there to have been people in polling stations there had to be people in the streets. Where were they? The streets were empty, empty, said Mr Clande.

Mr Bazin, and the three other leading candidates from the balloting, but there were have be take part in Sunday's election refused to take part in Sunday's election of the poll by take military-led junta.

Mr Bazin, and the three other leading candidates from the balloting, but there were have take part in Sunday's election of take part in Sunday's election of take part in Sunday's election of the balloting, but there were have take part in Sunday's election of the balloting, but there were have take part in Sunday's election of the balloting that the balloting, but there were have take part in Sunday's election of the balloting take the balloting, but there were have the balloting to the balloting, but there were have take part in Sunday's election of take part in Sunday's election of the balloting take the balloting, but there were have take part in Sunday's election of the balloting take the balloting to the balloting take the balloting take the balloting take the balloting ta

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# EVEN OUR SEATS ARE UPWARDLY MOBILE.

Until now, airline seats were built for a mythical creature called the 'average businessman'.

On new Club World we believe that none of our passengers are average. So we spent 18 months designing an airline seat that would provide comfort and support over long haul flights, whether you're a modest 5' 6"

or an imposing 6' 5."

Now you can stretch out and relax from head to toe.

After all, even the most successful executives work better if they occasionally put their feet up.

CLUB:

other aircraft manufacturers have been put on a short list by the Indian Government for an order worth over \$300m to supply aircraft to Vayudoot, India's rapidly expanding third

The order is for more than 20 aircraft of 40-65 seats and Brit-

BRITISH Aerospace and three ish Aerospace is offering its short list Include SAAB of ATP 64-seat turbo-prop airliner. The other companies are: de Havilland of Canada, part of Boeing of the US, which is offering the Dash 8, Fokker of Holland with Its F-80, and the Franco-Italian ATR-42.

Companies which put in bids last year but are not on the Sweden which was offering the SAAB-340. Sweden's trade relations with India have been complicated during the past year by a scandal over an Indian Army \$1.4bn (\$777m) Bofors gun con-All the companies have been

By Karen Fossli in Oslo

by 0.5 per cent due to a decrease in domestic demand

decrease in domestic demand and consumption, which was 2 per cent down on last year's figures. Norway experienced a sharp increase in the export of raw materials and traditional goods including aluminium, pulp and paper and chemicals while mar-

ket prices for these items rose. Excluding oil and gas, ships and

that they must offer extensive countertrade terms. British Aerospace last May placed a im contract with the Indian Government-owned Hindustan Aeronautics of Bangalore to manufacture 160 ATP tail-planes in the hope that this will improve its chances of winning told by the Indian government the Vayudoot order.

Mr Harsh Vardhan, Vayudoot's managing director, said yesterday that he hoped a decision on the nrder would be taken within a couple nf months. At present Vayadoot flies 18-seat Bornier airliners and older aircraft inherited from Indian Airlines, the main domestic carrier.

# SAS to spend \$700m on long-haul Boeing 767s

Hnwever, while SAS said that it would re-evaluate both the MD-11 and Airbus A-340 aireraft in the early 1990s "as they become available". Neither plane is in operation yet and SAS said it had plumped for the Boeing 767 because it was now facing heavy competition on the intercontinental routes.

SCANDINAVIAN Airlines System (SAS), yesterday placed an nrder for nine long-range Boeing 767 aircraft in a deal worth more than \$700m as part of its plan to bulld up its intercontinental fleet. SAS has also signed an option on a further 15 Boeing 767 aircraft.

The deal will enable staff to Increase the number of long-NORWAY cut its trade deficit from NKr23.5bn (\$3.7bn) in 1986 to NKr12bn last year, according to figures released by the Central Bureau of Statis-Exports, excluding nil and gas, increased 16.8 per cent while imports rose only slightly

Increase the number of long-haul flights it can offer to business passengers, particularly from the Scandinavian capital to North and South America. The first aircraft are due to be delivered in March 1989 and

will begin operating nn the south Atlantic routes in 1990. south Atlantic routes in 1990.

The airline had previously considered replacing its fleet of DC-10s with either the McDonnell Douglas MD-11 or the Airbus A-340 aircraft and had signed a letter of intent in December 1986 to buy 12 MD-11s in a deal worth more than \$1.4bu That prefer has now

The \$700m deal with Boeing The \$700m deal with Boeing includes spare parts, a simulator and other equipment. The Boeing 767 was seen as an attractive aircraft because it can fly up to 11,580km nonstop which means that SAS can begin offering non-stop flights to South America for the first time as well as increasing the number of flights from Scandinumber of flights from Scandi-navian capitals to the impor-

SAS said it intended to continue using its fleet of 10 DC-10s on the busiest routes while the Boeing 767s would be intro-duced on the less dense routes.

tant US market.

### Moscow, Oslo sign export credit pact

By Karen Fossil in Oslo

NORWAY and the Soviet Union NORWAY and the Soviet Conon bave signed an export credit agreement for Ecu 75m (£32.8m). The agreement was signed during a three-day visit by Soviet Prime Minister Nikolai Ryzhkov.

The accord was one of the first he signed with the next the sign

first to be signed with the new Soviet Bank of Foreign Eco-nomic Affairs, previously called the Bank for Foreign Trade. The Soviet Union would have preferred the credit in Norwe-

gian currency, but due to high interest rates in Norway, which are around 15 per cent, Ecus were used instead.

were used instead.

The interest rate has been set at a maximum of 7.8 per cent and any interest amount exceeding that will be borne by the exporter.

Hopes for Norwegian exports in the fields of technology,

machinery, and consultancy to the Soviet Uninn had been strengthened by a Soviet sag-gestion that Nordic countries help develop natural resources on the Kola Pennisula.

on the Kola Peninsula.

Several consortia comprising.

Norwegian and Soviet companies are being organised. Norsk.

Hydro, Narway's largest publicly-quoted company, for example, is holding talks with the Soviet Union to provide them with smelter technology.

# Ankara brings in sweeping tariff cuts

BY OUR ANKARA CORRESPONDENT

THE Turkish government has moved closer to its aim of full liberalisation of the country's import regime with a sweeping series of tariff cuts.

They are a continuation of the attempted transformation by Prime Musister Turgut Ozal and his advisors of the pre-

and his advisers of the pre-1980 closed protectionist regime to an outwardly nri-ented and versatile trading

The list of imports requiring prior approval has been cut by two-thirds to 33 items, and a ceiling set on all customs duties

of 50 per cent. This means that almost anything can be imported, except for arms, ammunition and nar-

cotics, and items barred by spe-cial legislation.

The tariffs have been skewed towards raw materials, domestic industry, and agriculture. These suffered to some extent during first term of office from the emphasis on export-ori-

ented output. Heavy cuts have been made

in tariffs for raw materials for chemical production. Certain categories of phosphate, nitro-gen and potash fertilisers can now be imported duty-free, although a surcharge will be made, which will go towards the government's special devel-

in order to protect domestic manufacturing industry, the imports regime for hunry and consumer goods remains little

However, because of the high demand for cars - which can mean waiting lists of up to six months for locally-produced vehicles - duties have been reduced for units below 1,700

The cuts will have little The cuts will have little effect on EC preferences, or relations involving the General Agreement nn Tariffs and Trade, say diplomats. In future, the government will carry out a similar exercise annually. But at the same time, the cost expect fax rebate. It has cut export tax rebate subsidies further.

### Brazil to seek 50% rise in US textile quotas

BY IVO DAWNAY IN RIO DE JANEIRO

Washington today.

The request comes at a deli-cate moment in bilateral trade relations as the Brazilian gov-erament must this week take crucial decisions on whether to revoke its decision not to licease imports of US computer software - an issue that threatens to provoke strong US count-

Under current arrangements, Brazil sells some 189m square yards of textiles to the US annually, valued at about \$300m (£166m). The market accounts for some 30 per cent of all foreign sales.

The negotiations with the US Commerce Department are expected to continue in February, possibly in Brazil. They will seek to fix quotes for the coming three years, commenc-ing on April 1.

However, the outcome could be profoundly influenced by from US computer makers, decisions in Brasilia this week. An interministerial council is scheduled to meet tomorrow to decide whether to rescind an order made last September to retaliation threat.

BRAZIL is to seek a 50 per cent blocking imports of the MS-Dos increase in the quotas granted software programme, made by the US company, Microsoft. The refusal to licence MS-Dos taken by the state agency that

oversees Brazil's computer industry protection policy - pro-voked the US Economic Policy Council to open the process that could end in punitive tariffs against Brazilian exports.
It is understood that Washington has delayed a final deci-

sion to await the outcome of the Brazilian policy review. Mr Mailson da Nobrega, the new Finance Minister, is reported to have been examining optimes for the case after coming under intense pressure to compromise from exporters.

One option - unnfficially reported to be acceptable to Microsoft - is to continue the ban on outdated MS-Dos programmes, for which there are national Brazilian equivalents, but allow its state of the are but allow its state-of-the-art Dos 3.3 software into the coun-

### Daya Bay orders go to France

By Paul Betts in Peris

FRANCE has won FFr 1.5bn (£150m)-worth of orders from China for nuclear equipment at the new Daya Bay nuclear power plant and for additional digital telephone exchanges and telecommunications cables.

The largest order involves a FFr 1hn contract for Framatome, the French nuclear power plant constructor, and Spie-Batignolles, the French construction and civil engineering group, to assemble nuclear equipment at the Daya Bay power plant near the Hong Kong border.

Assembly work is expected to start early next year and be completed by the end of 1992. The contract follows the Chinese decision to select Framatome in 1986 to supply two 900 Mwreactors for Daya Bay. The turbines for the new \$2.5bm (£1.4bm) Chinese nuclear power plant project will be supplied by General Electric Company of the UK.

the UK.

The latest French telecommunications contracts involve FFr 580m-worth of orders for Alcatel, the telecommunications

group controlled by France's Compagnie Generale d'Electricite (CGE).

Alcatel CIT, the French subsidiary of the telecommunications group, will supply additional E-10 digital exchanges to Peking involving 150,000 lines worth FFr 488m.

### Krupp offshoot wins Soviet clean air order

By Lesiie Colitt in Serlin KRUPP Koppers, of West Germany, has fought off strong Japanese, French and British competition to win a DM100m (£34m) contract to expand and modernise three highly-polluting plants at the giant Mogilev chemical complex in the Soviet Union.

Krupp Koppers' nffer to use Dynamit Nobel's anti-pollution process in producing dimethyl-terephthalate (DMT) was a key factor in its winning the Soviet

factor in its winning the Soviet contract.

The plants which produce DMT to manufacture polyester fibres were built between 1975 and 1982. An earlier factory was erected by the Japanese. The burning by the plants of residue containing cobalts led to pollution blanketing the city of Mogilev in western Russia.

Krupp Koppers is to instal a catalyst recovery unit which will keep cobalt and managese emissions to a minimum.

The modernisatinn plan which will considerably reduce consumption of raw materials and energy in daray materials

which will considerably reduce consumption of raw materials and energy is due to be completed by 1990 and will boost DMT production at Mogilev by 25,000 tonnes annually. In co-operation with Dynamit Nobel of West Germany, Krupp Knppers is to provide the licence and know-hnut to the Soviet Union as well as engineering, equipment, training of personnel and enutral of start-up.

# Tunisia to shut part of imported-kit car plant

TUNISIA is to shut down the part of the Societe Tunisienne d'Industries Automobiles which assembles cars and light industrial vehicles from imported kits. Assembling buses and heavy industrial vehicles will however continue at the company's plant in Sousse, south of ny's plant in Sousse, south of Tunis.

This decision fits into the policy of economic liberalisation initiated 18 months ago and was made inevitable by the collapse in demand for such vehi-cles which came following the susterity policies pursued since 1986.

Demand for locally manufac-tured cars declined by 43.7 per cent and for light industrial vehicles by 53 per cent. By the middle of last year STIA was manufacturing between 5 and

52 cars every month. STIA lost Dinars 10m (£7m) last year after losing Dn 23m in 1986.

The devaluation of the dinar over the past twn years has also been a major factor, making the assembly of imported kits more expensive than importing cars from abroad. About half the new tourist cars registered in Tunisia every year are brought back to the country by Tunisian immigrants in Europe.

A similar pantle.

Europe.

A similar problem faces the Tunisian Government at the Compagnie Mecanique de Tunisie (CMT) which assembles tractors from kits imported from Deutz in West Germany.

President Zine El Abidine Ben Ali paid an unexpected visit to

President Line 24 Abuting Den Ali paid an unexpected visit to the CMT plant at Mateur, west of Tunis last Thursday.

Norway cuts Some business travellers trade deficit to NKr12bn

will change neither hotel nor newspaper. That's why they are particularly happy to find complimentary copies of the Financial Times at the following hotels in Paris: Commodore, Inter-Continental, Meurice, Grand Hôtel, Bristol, Lancaster, Crillon, Royal Monceau, Sofitel Bourbon, La Pérouse, La Trémoille, Concorde La Fayette, Holiday Inn République, Méridien, Hôtel du Louvre, Royal Alma, Prince de Galles, Château Frontenac, Mercure Montmartre, Mercure Montrouge, Splendid Etoile, Queen Elizabeth, Lutétia Concorde, Colisée Mapotel, Mayfair, Frantel Orly,

FINANCIALTIMES **EUROPE'S BUSINESS NEWSPAPER** 

Bailli de Suffren.

oil platforms, Norway's trade deficit was down by 14.3 per cent from NKr76.6bn in 1986 to NKr65.6bn in 1987. Although Norway's trade figures are encouraging, economists say that the country has a long way to go \$1.4bn. That nrder has now been cancelled.

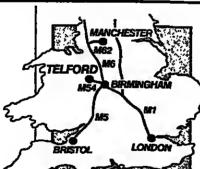
 $m{B}$  elieve it or not, but what you're looking at in this picture represents an investment of £10 million.

That's how much Peaudouce are spending to set up a factory that'll make the product you can see being modelled below.

As for the site for this, their first ever British manufacturing unit, we're proud to say that with the whole country to choose from they eventually decided to build in Telford. Incidentally, once in full swing, the factory's set to produce more nappies than any other in the U.K. So what made the world's third largest producer of "baby hygiene products" plump for

the Shropshire town? To understand their choice one must first consider the nappy. As a product, its value as compared to its bulk is low. Also, by its very nature, it's a high volume product.





Combine these factors and you can see why, in the nappy world, regular, reliable and economical transport is all important. Telford, thanks to the M54, and its location close to the heart of Britain's motorway network, admirably meets all these criteria. In fact, two thirds of the entire British consumer market can be reached from Telford by HGV in under four hours.

The French were also impressed with how easy it is to get people to and from the town. Birmingham International Airport is only a forty minute drive away, while just over two hours on a

train will get you to the heart of London. As the new factory is set to create 235 jobs, the ready availability of a skilled, adaptable workforce was another key consideration. Needless to say that in Telford Peaudouce found all the people they needed. Moreover, in the Telford Development Corporation they found the people who could make the whole project go as smooth as, dare we say it, a baby's bottom.

Telford Development Corporation not only offered advice and assistance at every stage of the planning process, but also made sure that the red tape was kept to a minimum. Add all this to the fact that Telford is set amongst some of Britain's most beautiful countryside and you'll begin to understand why the town came top of the French

So if you're thinking about relocating your business perhaps this baby's bottom is just the pointer you've been looking for.

But before you read the rest of the paper we'd like to leave you with one final thought. With £10 million at stake, you can rest assured that when Peaudouce finally chose Telford as the site of their new nappy factory, it wasn't a rash decision. To find out more ring Chris Mackrell, Commercial Director on 0952 613131.



### **UK NEWS**

### **BT** reduces prices for global circuits

- The same of the

BRITISH Telecom has cut its prices by up to 40 per cent for key international services used by many blg companies in a move which could prompt a price war with Mercury Communications, its sole network rival, writes David Thomas.

The price cuts are for BT's international private circuits used by businesses to send data and voice traffic both inter-

used by businesses to send data and voice traffic both inter-nally and to major customers and suppliers. Mercury reacted by saying it would review its charges for international pri-vate circuits. There has been fierce competition between BT and Mercury in this area since it was liberalised through Mer-

th was increased through Mercury's entry into the market.
However, BT is about to announce price increases for domestic private circuits, which could bring BT into conflict with the industry's regulatory body.

### Rover returns to work

Car production at Rover's Cow-ley and Longbridge plants resumed yesterday following settlement of last Friday's dispute involving 70 lorry drivers delivering car engines to both the Oxford and Blrmingham plants.

### Postal backlog

Postal workers in Bristol returned to work yesterday to deal with a backlog of letters after a four-day unofficial atrike against "inadequate" Christmas bonuses. The return to work may be temporary as workers have not yet reached agreement with management.

### Numast in joint accord

UK and Norwegian seafaring UK and Norwegian seafaring unions have taken steps towards more international cooperation by signing a joint negotiating agreement. The agreement will allow members of Numast, the UK officers' union, to participate in talks covering wages and conditions between Norwegian unions and the recently formed Norwegian International Ship register.

### Logging for engineers

The Engineering Council has proposed that engineers have log books to keep up to date with new technology. To improve industrial competitiveness, engineers and technicians would be encouraged to draw would be encouraged to draw up plans setting out how they would improve current peformance, anticipate future changes of role and enhance their professional development. Pllot schemes will start this year.

### Sogat briefs the press

The print union Sogat, which was at the centre of a year-long dispute over the introduction of new technology, has spent \$2,000 on a press briefing in an effort to convince the newsparent of the print per industry that the union is committed to technological change. The supplement is the first from a TUC-sffiliated union in the journalists' trade magazine, the UK Press Gazette.

### Farm job prospects

The Development Commission eaid that the problem of losses of farm jobs was a long-term issue and that the effects would spread through the rural economy and rural communities. The commission said it was con-cerned with creating new jobs

# Sales decline points to faltering retail growth

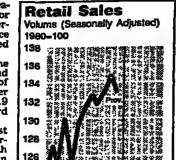
AN UNEXPECTED fall in sea-AN UNEXPECTED fall in seasonally adjusted figures for December's retail sales yesterday provided further evidence that buoyant growth enjoyed by shopkeepers is faltering. Provisional figures from the Department of Trsde and Industry show that the index of retail sales volume fell 1.1 per cent in December to 132.9 (1980-100) against a record 134.4 in November.

The drop may be the first

134.4 in November.

The drop may be the first sign that the economy is entering a period of slower growth after the stock market crash in October. After an autumn of particularly buoyant retall sales, many City of London economists are forecasting a slower pace of growth in the next few months.

The DTI said that even without associated adjustment.



slower pace of growth in the next few months.

The DTI said that even without seasonal adjustment, December's sales by clothing, footware and department stores were lower than in November.
However, it said the underlying trend for retail sales remained firmly upwards.
In the three months to December, the level of saies was more than 1 per cent higher than the previous three months and 5½ per cent higher than the last time rising into 1988 although

Lawson, the Chancellor of the Exchequer, to cut income tax in his March budget without triggering excessive rises in imports through increased consumer demand.

Mr Richard Weir, directorgeneral of the Retail Consortium, the body which represents retailers, said: "If the provisional figures are confirmed for cent higher than the last time rising into 1988 although

at a slower pace. Consumer spending, of which retail sales form a large part, is set to grow strongly as earnings growth show no signs of abating and inflation is dipping.

The effect of October's stock market crash on the wealth of consumers appears to have had

consumers appears to have had little impact on sales so far. But it is likely to have increased uncertainty and led to a more cautious approach to spending. A slower pace of growth in retail sales will ease fears of a possible rise in interest rates engineered by the monetary authorities to offset the undesurhorntes to offset the unde-sirable side effects of a fast growing economy. It may also widen the scope of Mr Nigel Lawson, the Chancellor of the

# Labour campaigns to 'listen'

THE LABOUR party's two-year THE LABOUR party's two-year campaign to involve the public in its overhaul of policy was launched yesterday in the shadow of a threatened, potentially divisive, contest for Labour's deputy leadership.

Mr Neil Kinnock, the Labour leader appropriate details of leaders appropriate details of Mr Neil Kinnock, the Labour leader, announcing details of the "Labour Listens" campaign, attacked critics of the plan for displaying "a shailowness that is incompatible with socialism." Mr Kinnock also repested warnings that a challenge to Mr Roy Hattersley, the deputy leader, by Mr John Prescott, the party's energy spokesman. party's energy spokesman, would represent an "unforgive-able distraction" from Labour's present priorities.



Mr Kinnock: Listening

election victory.

Whatever the justification, a decision to provoke a contest at a time when Labour is anxious to maintain unity and develop fresh policies will inevitably be

fresh policies will inevitably be seen as a challenge to the Labour leader's authority.
Launching "Labour Listens", Mr Kinnock said the results of ticket-only meetings with the general public and special-interest groups around the country would be fed into the party's policy review groups. These bave already started work and are discussing all major policy areas, including health, defence and education.
Replying to critics of the cam-Replying to critics of the campalgn, who have accused the party of conducting a policy rethink by opinion poll, he said some people were afraid to relate their ideas to Britain's real needs, or to meet and listen to the electron. Mr Hattersley was reluctant to discuss the issue but said he was determined that any contest would not deflect the party from "the real job" of formulating fresh policies and defeating the Tories.

Mr Kinnock: Listening pagin, who have accused the party of conducting a policy rethink by opinion poll, he said some people were afraid to relate their ideas to Britain's nock's leadership but as a move the rectink by opinion poll, he said some people were afraid to relate their ideas to Britain's real needs, or to meet and listen to the electorate. "We are not an exclusive order that exists to talk to itself," he added.

# Liberal MPs back new merger draft

BY OUR POLITICAL CORRESPONDENT DECISIVE talks between Liberal and Social Democratic negotiators aimed at securing ngreement on n revised policy statement for their proposed new party were underway last night at

Westminster. The document, hurriedly drawn up over the weekend, has removed detailed refer-ence to all the controversial proposals which were conleaders' own policy docu-ment and which led to open rebellion within both par-

After another day of emergency meetings, the compromise policy statement appeared to have won broad support from Liberal MPs. But when discussions between the two parties resumed last night, it was not clear whether the new policy stance was accept-able to Mr Robert Maclennan, the SDP leader, who

refused to comment.

His reaction was noticeably different to that of Mr
David Steel, the Liberal leader, who emerged from the meeting to claim that the merger was "back on the rails".

Details, Page 10

# US drug makers favour UK

US-OWNED pharmaceuticals ment is very mobile," he said. companies in Britain are likely to spend up to \$200m over the next five years on new produc-tion and research facilities,

tion and research facilities, according to an informal survey in the drugs industry.

The companies canvassed in the survey said they generally believed the climate in Britain was favourable for investment, according to Mr James Cochrane, managing director of the UK subsidiary of E.R. Squibb, a leading US manufacturer.

However, Mr Cochrane, who helped to organise the survey, said the companies' intentions could easily alter if the economic and political climste

nomic and political climste changed. "This kind of invest-

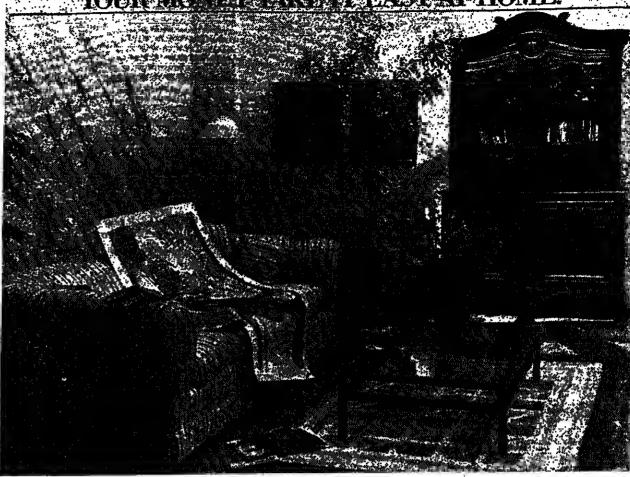
Companies canvassed in the survey include big US drugs makers such as Merck Sharp and Dohme, Cyanamid, Smith Kline and French Laboratories and Ell Lilly. US-owned companies based in Britain account for roughly two fifths of the £2bn worth of medications sold each year to the National Health Service.

The survey select companies in the pricing framework organised by the Department of Health and

over the next five years.

£2bn worth of medications sold each year to the National Health Service.

The survey asked companies to detail plans for capital spending, including schemes that were not fully approved, over the next five years. According to Mr Cochrane, its companies are allowed to the investment climate for the make through supplying the pharmaceuticals industry in health service.



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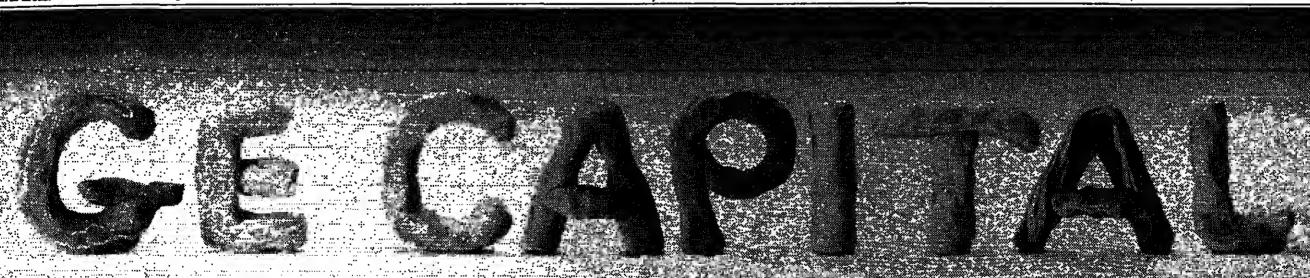
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EUROPE'S BUSINESS NEWSPAPER

<del>++++++++++++++</del>



A more flexible approach to financing capital equipment

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The the contains a parts of the contains a parts of the contains a parts of the contains a parts.

# Grant may meet half cost of Manchester rail link

BY KEVIN BROWN AND IAN HAMILTON FAZEY

THE GOVERNMENT yesterday since 1880. gave a conditional go-ahead to a \$40m light railway system planned for Manchester by agreeing to meet half the cost if the balance is provided by the

private sector.

Mr David Mitchell, the Transport Minister, asked the Manchester Passenger Transport Executive to invite private-sec-tor tenders to build, operate and maintain the railway.

involved in detailed planning of the system, and if tenders were "satisfactory."

The proposed railway would run for 19 miles, linking the two halves of Manchester's rail

BY SIMON HOLBERTON

20 UK primary dealers in gilts operating in the Far East. Such

facilities would promote a con-tinuous marker in UK govern-

ment securities, it said.

Japanese investors have become quite substantial investors in UK government securi-

ties and an informal secondary

market has existed in Tokyo for

The vehicles, a cross between trains and trams, would run at 50-60 mph on existing railway lines, then continue at lower speeds through the city centre on new tracks to be laid in the

Mr Graham Stringer, leader of Manchester City Council, said last night: "We would have pre-ferred to keep the whole project under local authority con-He made clear that a grant under section 56 of the 1968 Transport Act would be made only if the Government was entertainment and workplaces." will be better access to shops, entertainment and workplaces."

> Mr Mitchell's announcement refers only to the first phase of the railway, which involvee conversion of Greater Manches-

ter's two busiest commuter network, which have run into lines.
separate termini in the city These run into central Man-

A FURTHER step towards the global trading of gilt-edged securities was taken yesterday when Garban Gilt, one of London's six inter-dealer brokers, opened for ousiness in Tokyo.

Garban Gilt, a subsidiary of Garban Gilt, a subsidiary of MAL said vesterday it would go be and more liquid secondary market for gilts. It sees it as a natural evolution of the development of a much deemotion for the development of the grand more liquid secondary market for gilts. It market and comestic like applied for authorisation to become primary dealers in gilts.

The advent of inter-dealer become primary dealers in gilts.

The Bank welcomed the development of the development of a much dealers. It is a natural evolution of the domestic like market and comestic like applied for authorisation to become primary dealers in gilts.

sector borrowing requirement so far this financial year.

Gilts broker opens in Japan

Garban Gilt, a subsidiary of the development of a much deemal, said vesterday in would offer its broking services to the amount of the development of a much deemal of the development of the development of a much deemal of the development of the de

schools'

day.
The report, commissioned by Mr Kenneth Baker, Education Secretary, says:
"While we would expect local management of secretary to leave to leav

period, require increases in expenditure."
Extra costs would include training head teachers and school governors during the transition phase and developing computer exclams:

cation anthorities should set clear objectives for schools, provide them with the necessary budgets and leave them to manage them-selves, within adequate pro-vicione for accounting for

warns: "If head teachers see the scheme as a means of giving them more adminis-tration plus the blame for education cuts, the concept is doomed to failure." Local Management of Schools.

# extends into

By Terry Byland

CHASE Manhattan Securities has gone against the City trend by extending its market-making range at a time when stock market firms have been cutting

The London securities trading arms of the US bank yesterday expanded its cov-erage to take in 34 leading property charee, including Land Securities, MEPC and

To back up the new market-making operation, Chase has taken on a threeman research team that ueed to work for two of Chase's US rivals. Mr Gareth Evans, Mr Alan Carter

David Lascelles weighs the Greenwell Montagu closure

# Midland completes equity retreat

THE UNHAPPY tale of Midland
Bank's three-year-old venture caused a steep fall in commission revenue, plunging the operation into loss.

Management struggled to hold

opening chapter of Addising several terms of the the Hongkong and Shanghai Bank, because it shows how far the rationalisation of the two banks operatione could go.

The business Midland is clos-

ing is the institutional broking slde, which offers research and agency-dealing services to big

The company's Hong Kong end is also being closed, although some offices in Europe and the Far East will be

Europe and the Far East will be kept going.
Midland, like many UK banks, early joined enthusiastically in Big Bang. In 1984 it bought Greenwell & Co, a top City gilt-edged broker. However, the relationship never thrived and last year suffered a series of blows: March: Sir Kit McMahon,

Midland's new chairman, decided to quit the volatile equity market-making business after losing £6m. In the light of the later market crash it was a wise move but the sudden retreat damaged staff morale. July: Midland botched a pos-sible eale of Greenwell Montagu's remaining agency business to Morgan Stanley. That led to further staff losses and exposed Midland's lack of com-

Management struggled to hold Greenwell Montagu Securities, its equity-broking subsidiary.
However, the news is potentially more important as the opening chapter of Midland's decide whether it wanted to new relationship with the Hongkong and Shanghai Bank, ness at all.

ness at all.

The decision to opt out was eased by the link with the Hongkong Bank, which gave Midland a way to present closure in a more positive light.

The Hongkong Bank has owned 14.9 per cent of Midland since December 22. It is the parent of James Capel, one of the City's most successful stockbroking firms.

There was much to be said for rationalising the two banks' equity business in the stronger partner.

partner.
While Greenwell Montago has

only 1 per cent of the London agency market, Capel has 9 per Yesterday Mr Rndi Bogni, Midland Montagu chief operating officer, said: "We had to ask ourselves whether it made aense within our alliance to have two companies in the same business with such a dis-

same business with such a disproportionate market share.

"We decided it would not work with James Capel overahadowing Greenwell Montagu."

So Capel will assume the role of Midland's institutional broker although, Mr Bogni said, the relationship would be one of very good friends rather

than be totally exclusive. Greenwell Moutagn clients will be given the choice to transfer to Capel or going their

own way. Samuel Montagu, Midland's merchant-banking arm, will use Capel when it believes Capel to be the best for the job in hand. However, it will be free to use others if it wants to.

Capel also wants to stay at arm's length to maintain relations with other clients.

Mr Peter Quinnen, Capel chairman, said he expected the tie-up to bring his firm new corrections of the company of the porate-finance clients, of which Greenwell Montagu has about

potential among Greenwell Montagu's institutional investment clients because Capel ment cheeks because Capet dealt for most of them aiready He also said some Greenwell staff might interest Capel.

That is to be the limit of the Midland-Hongkong Bank tis-up on the investment banking side

for now.
The two will remain competitors in the gilt-edged markets, where they are more evenly matched, with Midland the big-ger and more profitable of the

The two banks' similar operations in the US treasury bond market will also continue. However, the extinction of Midland's institutional equity business shows that the two banks are prepared to take fairly radical steps to make

their alliance work.
Closure of an operating division is an important move in the context of a relatively small stake which the Hongkong Bank may not raise for three

years.

Before that, the two aiready had plans to shake down global branch networks so that, in effect, Midland covered Evoreh and the Hongkong Bank North America and the Far East.

America and the Far East.

It suggests that both banks are already looking well beyond the three yeare to the time when they will bond their businesses quite closely together, as a precursor to possible eventual merger. If so, further rationalisation measures are bound to ation measures are bound to

# a formal market-place has meant that spreads on quoted stocks have been wide and the spreads over time. Nomura Securitles per cent 1992 and \$150m 945. Permanent Spycatcher ban sought

THE GOVERNMENT'S renewed bld for a permanent ban on press reporting of Spycatcher opened yesterday with an attack on the different stan-dards applied to the private cit-izen and the press

izen and the press.

A High Court decision last month in favour of the press had resulted in "a position where it is unlawful for Peter Wright to circulate or publish his memoirs but it is lawful for the media to 60 so." Mr Robert Alexander QC, for the Attor-ney-General, told the Court of

Appeal in London.
The Crown challenges this application of what, it will submit, are different standards as between the private citizen on one hand and the press on the other," he said at the start of the Government's appeal. expected to last eight days. The Attorney-General, Sir

Patrick May hew QC, is chal-lenging Mr Justice Scott's refusal to impose a permanent ban on reports of material from the book, which has sold more than Im copies worldwide.

Mr Alexander told Sir John Donaldson (Master of the Rolls). Lord Justire Dillon and Lord Justice Bingham that the approach sdopted by the judge substantially eroded the value of any protection which could be obtained against for-mer MI5 officer Mr Peter

The judge had said that, if Mr Wright was before the court, the Crown would be entitled to an injunction against him, despite the fact that he had substantially succeeded in putting his book before the public.

Mr Alexander said the effect of Mr Justice Scott's ruling was that, although Mr Wright's breach of confidence was recog-nised as important by the court, it could be relatively easily breached in practice.

The hearing was adjourned

### Leather company threat to move plant to Italy

Since Big Bang in October
1986. the gilt market has become progressively more international, to the extent where foreign investment in gilt-edged securities has accounted for the entire fund-of gilt-edged stock from the

ing of the Government's public start of dealing today.

Mulberry employs 230 people
In the area around its Chilcompton headquarters. It proposes to invest £1.5m in building a headquarters and
production plant just outside
the village boundary, to integrate its three factories and
increase its manufacturing impossible to find factory
premises elsewhere, probably
outside the UK.
Given the specialised nature
of its output, the company must
manufacture in an area where
it can draw on a pool of experienced leather workers.

Mr Saul said that it would be
increase its manufacturing impossible to find factory
premises elsewhere, probably
outside the UK.
Given the specialised nature
of its output, the company must
manufacture in an area where
it can draw on a pool of experienced leather workers.

Mr Saul said that it would be

capacity by 50 per rent. If the development goes ahead, it will create at least 75 jobs.

Mr Roger Saul, the company's be forced to turn to ltaly, where there is a long tradition founder and managing director, said Mulberry was concerned that planning permission for the factory would be rejected by the local district council the leading manufacturers of because of objections to devel-

A WEST COUNTRY leather opments in open countryside, goods company is threatening. Mulberry expects a decision by to move its new production plant to Italy unless it is permitted to build the factory near lts established base in Somerset.

Without expects a decision by which is already manufacturing at full capacity, will be forced to find factory

chester from Bury in the north and Altrincham in the south.

The next phase would link into other routes and connect big development areas, such as Sal-

ford Quays and Trafford Park.

The first phase is expected to create about 4,000 jobs, with more to follow.

The Manchester scheme is the

first of a group of light railway proposals to reach the detailed planning and financing stage, following the success of the Docklands Light Railway in East London, which opened last year and is ehortly to be avended.

extended.
Other schemes are at various

other schemes are at various etages of planning in Sheffield, Avon, West Yorkshire and the West Midlands, although no applications for government funds have yet been made.

ondary market for gilts. It sees it as a natural evolution of the domestic UK market, and believes foreign investors would feel more confident

The issue, which consiets of

two further tranches of exist-

increase its manufacturing impossible to find such a reser-capacity by 50 per rent. If the voir of skill elsewhere in the

because of objections to devel- high-quality leather goods.

# Radio plans to be set out

BY RAYMOND SNODDY MR DOUGLAS HURD, the Home Secretary, ie expected to outline hie plans for the expansion

ent regulated by the Independent Broadcasting Authority.

The policy statement is

lative plans in a written answer last year.
making clear the Government'e The gre

of UK radio in parliament today.

Mr Hurd will set out his legis

Opportunities, published early

Commercial radio is at pres- community stations.

# making clear the Government'e intention to set up s radio authority to oversee the development of commercial radio. The green paper argued for the creation of up to three nations! commercial stations and as many as 500 local and

# Synthetic genes for US BY DAVID FISHLOCK, SCIENCE EDITOR

rology.

The distribution agreement gives Beckman sole marketing grights in North America and non-exclusive rights elsewhere,

The distribution agreement genetic engineering.

British Biotechnology has developed a catalogue of about 20 genes at its Cowley lab.

Fasbion in genes, Page 32

BECKMAN INSTRUMENTS, a except for Spain, Portugal, subsidiary of SmithKline Beck-man of the US, ie to market the Catalogue of synthetic genes available from British Biotech-centres in the vanguard of

# **Taxpayers** 'will pay more for

By Michael Dixon, Education Correspondent

TAXPAYERS will face increased bills for state schooling as a result of gov-erament plans to delegate managerial powers to indi-vidual school heads and governors, according to a report by the Coopers and Lybrand management con-sultancy, published yester-

schools to lead to increased effectiveness in the use of resources, it is unlikely to lead to reductions in overall expenditure and may well, certainly in the transition

oping computer systems in schools' offices to cope with increased needs for manage-ment information.

ment information.

"But the result, if done well, will help produce a more responsive and effective school eystem." Coopers and Lybrand adds.

The Education Beform Bill proposes that local education below.

their performance and use of public funds. Local education authori-ties would have the role of

a staffing agency for teachers, charging schools for providing appropriate etaff. For goods and services, the anthority would act as contractor, with the school as enstomer. On land and premises, the relationship would be that of landiord and tenant. and tenant

Although authoritles would lose direct control, thay would be able "to focus more attention on questions of major impor-tance without being distracted by baving to pay attention to points of

The report neverthelese Mr J.Q. Thompson, Coopers and Lybrand Associates, Plumtree Court, London ECAA 4HT. Free.

# Market maker property shares

Hammerson, the three lead-ing stocks in the sector.

and Mr Alastair Gunn all moved from Scrimgeour Vickers, the Citicorp subsid-iary, to Shearson Lehman, the US eccurities honee which is in the process of merging with E.F. Hutton, a fellow New York firm.

# Office plan for London station

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

Greycoat, the property com-pany, and Sir Bobert McAlpine, the construction company, a 250-year lease on the area above the tracks over the southern part of Victoria rail-way station in London.

The two companies said yesterday that they would develop a 360,000 sq ft office building above the railway tracks with 16,200 sq ft of retail space at street level at a cost of £133m.

The development will take place at the southern end of the station, between Eccleston Bridge and Elizabeth Bridge.
Greycoat and McAlpine have already constructed an office area for oil solutional is issuing a \$125m deep as an overflow for the City as complex known as Victoria discount bond on behalf of the rents are over \$20 a sq ft less.

Tesco to develop retail property will be outside Camberley, Sur-rey, close to the M3 motorway.

Bracknell Council has decided

to give planning permission for a \$60m shopping centre that would contain a 130,000 sq ft Marks and Spencer store and a Tesco store of 110,000 sq ft.

The extent of the retail space

has been set below 250,000 sq ft so that the planning applica-tion does not automatically

Plaza at the northern end.

Half of the new building, which should be completed by 1990, has been pre-let to the Department of Trade and Industry under the terms of an agreement reached last year. The DTI will be paying \$26 a sq ft, compared with current rents of around \$35.

However, the DTI has agreed to a rent review three years after it takes up occupation instead of after five years, as is the normal practice. The exis-tence of the pre-letting made it easier for Greycoat to arrange

Town to permit retail centre

the department would probably still want to look at the plans

because they fall outside the Surrey structure plan, which settles the broad patterns of

Marks and Spencer and Tesco

signed an agreement in November 1984 to look for promising retail sites on which they could

construct joint developments. Camberley is the first they have undertaken from the

have to be scrutinised by the Department of the Environment. The Government has been increasingly concerned about the proliferation of large shopping schemes on the edges of towns, and local authorities have to inform the department start.

Start.

Their only other joint venture is the construction of a Marks and Spencer store and the extension of an existing Tesco alte in Trowbridge, Wiltshire, from subsidiaries of Sir Robert by Tesco. That development, at have to inform the department of the Environment of a Marks and Spencer store and the extension of an existing Tesco alte in Nottingham into a 165,000 sq ft retail park.

Their only other joint venture is the construction of a Marks and Spencer store and the extension of an existing Tesco alte in Trowbridge, Wiltshire, from subsidiaries of Sir Robert by Tesco. That development, at Cheshunt, Hertfordshire, opens

land use in the county.

THE FIRST original project of of any schemes with more than the joint venture company set 250,000 sq ft of retail space.

The Camb is designed to designed the company set and the company set are company set as a space.

developers. It carries an inter-est rate of 8.25 per cent and matures after seven years. It has been privately subscribed by domestic and international institutional investors.

by domestic and international institutional investors.

The second phase of office development at Victoria follows British Rail Property Board's policy of exploiting the assets at main railway stations. It does not divolge the details of its leasing arrangements but in the past it has accepted cash payments for grant of a lease and negotiated to keep part of the rent.

The Victoria district, tradi-

### Sport for weekdays By Raymond Snoddy

Sunday

SUNDAY SPORT, the controversial colour tabloid, plans to begin national weekday publi-cation from July, shortly befor-Mr Eddie Shah plans to launch his new newspaper, The Post Mr David Sullivan, chairman of Apollo, which publishes Sun-day Sport, said vesterday the

day Sport, said yesterday the Daily Sport would initially be published two days a week.

The alm would be to turn Daily Sport gradually into a six-days-a week publication within six to eight months of initial launch, depending on the

public response, Mr Michael Gabbert, editor of

Mr Michael Gabbert, editor of Sunday Sport, said: "It will have a full news and sport coverage, far, far fewer pin-upsthan the Sunday Sport and less raunchy."

If the Daily Sport and The Post both get off the ground, The Star, now believed to be selling just over Im a day, arriving by car. Parking for might isce intense competition. arriving by car. Parions for people selling just over Im a day might face intense competition. 2,000 vehicles is planned. This is one of a number of significant recent retail property developments. They include:

1. The star claiming damages of more than \$6m after the

erty developments. They include:

The nomination by Chelmsford Council of Citygrove to develop 120,000 sq ft of retail warehousing.

The star, claiming damages of more than \$6m after the brief relationship between the two organisations which went wrong.

In October, United suddenly the algebraic and the algebraic a warehousing.

The selection by British Railways Property Board of NFC
Properties to develop a 12-acre
site in Nottingham into a
and Mr Sullivan advised on pro-

Apollo was due to get 0.5p for each additional copy sold over the January-June official average circulation of 1.288m.
Under the deal, Mr Sullivan would shelve plans to launch a

### Daily Sport and United would not launch a Sunday version of The Star. Caterer wins council contract

Financial Times Reporter Financial Times Reporter
COMPASS, the UK's largest independent contract caterer, has won a contract from the London Borough of Bromley to anpply catering services for two elderly people's homes.

The contract is worth about \$200,000. The company said it saw the move as a breakthrough because few councils had put catering services for the elderly to private tender.

# Irish PM protests at nuclear plan

BY KIERAN COOKE, DUBLIN CORRESPONDENT

MR CHARLES HAUGHEY, the MR CHARLES HAUGHEY, the Irlsh Prime Minister, has added his voice to a mounting chorus of protest in the Irlsh Republic about plans by the Central Electricity Generating Board to test cooling equipment at a nuclear power station in Trawsfynydd, North Wales, less than 100 miles from Dublin.

"The lrish Government is Energy, said he would be seek-very deeply concerned," said ing an urgent meeting with his Mr Haughey. He said develop- British counterpart, Mr Cecii "The Irish Government is

ments in the nuclear industry in Britain posed possible dangers to the population of the Repub-ilc. "We are entitled to be kept fully informed," he said. News of the Trawsfynydd tests, due to begin on February

12, provoked strong reaction in Dublin when they became known at the weekend. Mr Ray Burke, the Irish Minister for

Parkinson,
Mr Dick Spring, the leader of
Ireland's Labour Party, and a
former Minister of Energy,
described the proposed experiment as a hostile act. "The proposal to carry ont what
amounts to a Chemobyl experiment at Trawsfynydd is grosely
irresponsible," said Mr Spring.

ireland has consistently opposed Britain's nuclear energy policy.

Alice Rawsthorn looks at an industry where a change in fashion has cost hundreds of jobs

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# Woollen mills suffer as style makes a comeback ONE of Lister's woollen mills at The Industry must thin out, Bingley in Yorkshire will grind unless there is to be a greatly to a halt over the next few reduced level of profitability."

weeks. The mill, which spins hand knitting yarn, is preparing to be "mothballed" after List-er's decision to withdraw from hand knitting after more than buoyant period for the industry in the industry.

For the past year Lister, liks vailing fashion – for bright, its fellow hand knitting companies, has battled against a "easy-to-knit" churky yarns – share decline its relations. sharp decline in sales of knit-ting yarn. Mills have introduced the market. Short-time working. Jobs have In 1985 been lost. Lister has followed in the footsteps of one of the Tootal textile group's hand knitting

The consensus in the spinning industry is that, barring a sud-den revival in the market's fortunes, further cuts and closures

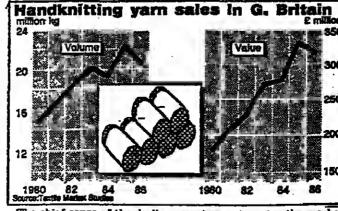
are inevitable.

Mr Alistair Henderson, deputy chairman of Patons & Baldwins, part of the Coats Viyella empire, and president of the Confederation of British Wool Textiles, said: "At present there is 25 per cent overcapacity in the European spinning sector.

Textiles, said: "At present there is 25 per cent overcapacity in the European spinning sector.

Most of the hand knitting companies were caught unawares by the downturn. It follows an unprecedentedly coaxed lots of new knitters into

in 1985 the hand knitting market was in its heyday. A record 22m kg of yarn, worth £335m, was sold in Britain dursubsidiaries by deciding to beat ing that year, according to a retreat. research by Textile Market



Studies.

But by the end of 1985 the is a change in fashion away West German market began to from chunky knitwear towards falter. Other European countries followed suit. By the problem of unfavourable fashion away are appropriated by The chief cause of the decline yarns. ions has been exacerbated by the structure of the handknit-

ting market.
One difficulty is that the industry is overcrowded. The buoyancy of the mid-1980s tempted newcomers - such as retail destock the now defunct Tootal Craft price-cutting

venture - to enter the marketplace. Moreover the established mannfacturers invested energetically in developing new

When demand began to dwin-dle, the market was saturated with fancy years that consum-ers no longer wanted to buy. The hand knitting industry sank into the familiar cycle of retail destocking and intense

The principal obstacle for the manufacturers was that the chief cause of decline – the change in fashion – was insurmountable. Mr Jerry Lumb, managing director of Sirdar, said: "If there had been change in market emphasis then we could have changed our market. could have changed our market-ing to cope with it. But if fewer people are knitting, in the short

people are knitting, in the short term at least, there is nothing we can do."

Similarly the manufacturers had little scope to cut costs by increasing the capital intensity of their plants. Spinning has been at the forefront of textile technology in recent years. By the mid-1980s most of the larger mills had already been reequipped with faster machinery and more sophisticated finish.

and more sophisticated finishing plant.

Mr Peter Griffin, who heads
Wendy Wools and is chairman
of the British Handknitting
Association, says productivity Association, says productivity at his company has trebled in the past decade. Wendy is producing twice as much yarn with a workforce two thirds of its size 10 years ago.

The hand knitting mills had no option but to implement cuts in ontput and employment. Most introduced short-time working last spring and have cut their workforces by a combination of natural wastage and redundancies. The Patons workforce has ehrunk by almost 100 to 1.000. Sirdar employs about 800 people compared with 900 two years ago. Generally, the job losses have come to a halt. The management team at Robert Glew, which markets yarns under the Robin and Emu brands, is confident that it can maintain the present level of employment providing there is no further fall in demand.

The optimistic say that retail destocking has come to an end. Some even cite aigns of a slight strengthening in consumer demand. Yet all accept that the conditions that created so buoyant a market in the mid-1980s are unlikely to be repeated. Few expect Lister and Tootal Craft to be the last companies to beat a retreat from the hand knitting industry.

# Shipowners win backing for tax investment plan

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

port Department backing for Royal Navy, in the form of fuel flscal incentives to reverse a 12-year decline in the number and tonnage of UK ships.

Transport ministers have accepted part of the case for incentives made in a recent submission by the General Council of British Shipping, and have asked the Treasury to belp in the forthcoming Budget.

An internal report on the GCBS claims sent to the Treasury by Transport officials is about 50m tons deadweight in believed to recommend the last year.

Within this figure, around

The Transport Department tion of between £1.5bn and report circumvents that argument, however, by basing the case for incentives on the strategic value of the British merchant fleet, particularly during a long conventional war.

and remove a positive continuation of between £1.5bn and £2bn to the balance of payments.

These economic arguments' have been rejected by the Transport Department, however, and are not expected to

SHIPOWNERS have won Trans- quate direct support to the port Department backing for Royal Navy, in the form of fuel

introduction of roll-over relief for balancing charges.

That means the Government would forgo tax on profits on ahips in excess of written-down value, provided the money was reinvested in shipping.

Treasury officials aro believed to have resisted offering incentives to shipping on the grounds that shipowners lacked entrepreneurial spirit and had been too cautious in their investment policy.

Treasury ministers have also been reluctant to make a special case for shipping for fear of inviting a flood of demands for help from other depressed industries.

The Transport Department to be a standard of the disappearance of a sizable floet would expose the UK to overseas control of trade flows, and remove a positivo contribution of between £1.5bn and

a long conventional war.

The report says the fleet is atill large enough to offer ade-

# Lynton McLain looks at a warship yard's progress two years on from privatisation

Vosper Thornycroft hunts mines and big orders

ROYAL NAVAL plastic mine-warship yards have more than hunters sweeping the Gulf are a handful of orders, apart from also a floating advertisement VSEL, which is building Trident for Vosper Thornycroft, lead nuclear submarines. builder of the Hunt class vesbuilder of the Hunt class vesbuilder of the Hunt class vesbuilder of sels. They are patrolling off glass-reinforced plastic (GEP) Saudi Arabia, which is in the warships in the UK and one of market for up to eight minehunonly two UK yards with this ters worth as much as \$300m.

sortium that makes the Tripartite minehunter.

If Vosper wins the Saudi minehunters.

order it would be the company's biggest export success Clyde, owned by General Elecsince the yard was privatised in tric Company, has built two
autumn 1985 by the manageHunt class vessels but is considment's £18.5m bny-out from ered by the Defence Ministry to
state-owned British Shipbulldors.

Exports accounted for 53.6 destroyers.

per cent of the £88m turnover

Apart from minehunters, so

made pre-tax profits of \$2.75m. build steel frigates and destroySuccess in winning orders ers, although it has not done so
from Saudi Arabia would since 1985.
enhance Vosper's reputation for Vosper is sensitive to minisspecialist, generally small-scale try suggestions that it could
warships at a time the conven-feature in rationalisation of UK
tional, steel warships market is warship-building,
suffering from overcapacity Mr Peter Usher, mansging
and few orders.

Those difficulties led Trafal-continue to pursue our major
gar House to mothball Scott naval customers — the MoD in
Lithsow's Clyde vard, also pri- the UK and export prospects.

Lithgow's Clyde yard, also pri- the UK and export prospects.
vatised by British Shipbuilders. The UK market for us is mine-Few of the six remaining UK hunters and frigates but we do

ters worth as much as \$300m. capability. It says its 560-ronne Vosper is offering the San-Hunt class vessels, 200ft long, down class, its latest single-role are the world's biggest GEP minehunter on order for the mouldings. HMS Quorn, last of RN, the first of which is being 11 Hunt class vessels Vosper built.

built.

The yard is competing with be launched on Ssturdsy. the Italian Intermarine yard at
La Spezia, which is building multi-million-pound investment
Lerici class minehunters, and in jet cutting equipment to the French-Dutch-Belgian consortium that makes the Tripar-production process. This relies the minehunter.

per cent of the £88m turnover Apart from minehunters, so in Vosper's first full financial far built only for the RN, Vosyear, to last March, when the per's speciality is exporting newly privatised company fast patrol craft. It can also made pre-tax profits of £2.75m. build steel frigates and destroy-



One of Vosper Thornycroft's exported warships

not see frigates as a big opening for us. Quarter of the total workload last year involved electronic systems and other non-ship-Nevertheless, Vosper has bid for the latest batch of up to four Type 23 anti-submarine four Type 23 anti-submarine frigates, worth up to about \$600m. The Type 23 is the RN's newest warship and is of conventional steel. The ministry's decision is expected in June. Since privatisation, Thornycroft's strategy has been to seek exports as a high proportion of turnover; develop its expertise in bullding plastic warships; maintain a capability to build conventional frigates. to build conventional frigates and destroyers; and expand non-shipbuilding activities, especially those complementary

to shipbuilding.

The policy of diversification has ensured that more than a

building work That includes design and

building of machinery and sec-ondary surveillance systems for UK Tricent nuclear submarines. Before privatisation, non-ship-building work accounted for as little as 10 per cent of the yard's turnover. Mr Usher says Vosper's productivity has risen by about 37 per cent since privatisation:
"We felt free to take the actions

that were necessary. I went on stage in cinemas in Portsmouth and Southampten and said to the employees we would pay the going rate if we could remove restrictive practices.

Mr Usher says: "People are better motivated, there is less waste of effort with the removal of demarcation, 90 per cent of employees own shares in the company and they all enjoy a profit bonus of a week's US Coast Guard.

Drojects, each operating with a reasonable degree of autonomy."

The hydraulic power division exports about 90 per cent of its output of stabilisers and steering gear, including to the pay."

and steel vessels; and Portchester yard, Portsmouth, specialising in high-speed patrol boats. It is reputed to build vessels of such quality that some staff talk about mythical golden rivets, an allusion to the quality of finish and materials and the possible element of gold-plating possible element of gold-planing

in design.
When its Hunt class minehunwhen its Hunt class minehun-ter HMS Berkeley went into ser-vice in November, Captain Nor-man Barter, who has accepted 46 ships into the RN, told Vos-per directors: "HMS Berkeley is the best ship we have accepted so far."

Vosper is building Atlantic Challenger for a US client to challenge Mr Richard Branson's crossing. A naval strike vessel is being completed at Portchester for a Middle Eastern client.

None the less, the yard is under-used and could build six fast patrol craft at once. Vosper

tive, to remove demarcation men on our books," Mr Usher and not pay for hours that says.

were not worked."

Vosper operates three divi-The workforce was cut from sions, covering controls, 3,000 at privatisation to 1,850 hydraulic power and support by last year's end.

The workforce was cut from sions, covering controls, hydraulic power and support projects, each operating with "a

Vosper operates from two sites: Woolston yard, Southampton, specialising in GRP and steel vessels; and Portable with "a baseload that is more stable than shipbuilding, which we see as very humpy, with

large fluctuations Vosper wants equal turnover from shipbuilding and non-ship-

"Ideally, we want to build up shipbuilding activities.

"Ideally, we want to build up shipbuilding rather than diminish it, and build the non-shipbuilding sector at a faster rate to give greater stability to the business," says Mr Usher.

He says that with a forward order book of \$200m and a "very good cash position at the bank, accompanied by no overdraft, no outstanding loans or offerred purchases, we are a financially viable company, standing on its own feet."

The \$18.5m the directors

paid for the company has been repaid. Says Mr Usher: "In facing the world we are not a sensitive, tentative management buy-out. We will float the com-pany on the Stock Exchange in the employees we would pay recently won a contract to pany on the Stock Exchange in design anti-submarine corvettes due course, possibly three years from the buy-out." That could mean this year.

Merrill Lynch, Ropemaker Place, Landon,

### Stores lead advertising cash league

By Philip Revotome MULTIPLE retailors occu-MULTIPLE retailors occu-pled the first six places in the top 20 advortising apending brands in 1987, according to figures issued yesterday by Media Expen-diture Analysis (Meal). MFI Stores hoaded the rankings – based on adver-

tising expenditure on television, radio, and in newspa-pers and magazines — with an estimated £19.16m.

Dirons was placed second with \$14.8m, and Currys close behind with \$13.87m. The next three in Meal's list were Woolworth (£12.58m), Comet (£12.23m), and B&Q (£11.5m). Asda took seventh place

with an estimated expension ture of \$10.91m; and Rum-belnws (£9m), Texas Home-care (£8.64m), Tesco (£6.8m) and Boots (£6.71m), were the other retailers in The top spending brands on television, according to Meal, were McDonalds (£8.9m), Nescafe coffoe (£8.66m), and National Dalry Connell milk

Dalry Conneil milk (£7.99m). Retailers filled the top 10 places in brand advertising in the national press. MFI led with an estimated £12.5m, followed by Currys (£11.2m) and Dixons

(£10.7m). Clgarette brands filled the first four places in the eonsumer magazines list. Benson & Hedges spent an estimated £8.31m on its king size Special Filter, and a further £6.42m on its Silk

Cut king size filter. The leading brand adver tiser on commercial radio was Ariel automatie wash-ing powder, with \$1.5m.

telephone boxes was ular with the public.

boxes was never pop-

Now the Government has

announced that it is to preserve 1,000 nf the klosks, which are

being replaced with updated models, by giving them a Grade

Lord Caithness, Environment Minister, said "It has become clear to us and English Heri-

tage, our professional advisers, that more than 500 valuable

telephone boxes ehould be

### **Stereo** vision advance

By Paul Abrahams

A SYSTEM OF enhancing vision in stereo which, it is claimed, will prove more important than the impact of Dolby on sound, has been developed by Aspex, a small, London-based technology

company.

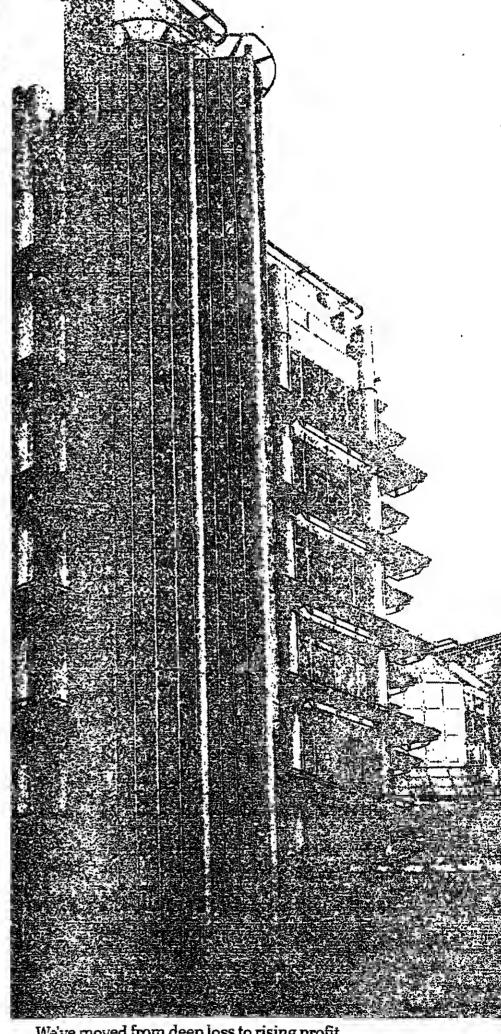
The design improves the sharpness and colour saturation of images. When special glasses are worn it also replicates nor-mal three-dimensional vision by increasing depth. In tests, 91 per cent of people noticed a dif-ference when the system was

used.
Mr Spud Taylor, managing director, said: "Aspex will be bigger than Dolby because much more important than sound. The system is long way from of exaggerated 3-D which were used in films such as The Crea-

ture from the Black Lagoon. The system has potential applications in any recorded applications in any recorded visual medium, including film, video, still photography and compoter-aided design as well as computer games. The Ministry of Defence is also said to be interested in using stereoscopic vision for defence applications.

Aspex was set up last year with loans of £800,000 from venture capital companies FC! venture capital companies ECI, BBHQ and Newmarket together

with Pilkington, the glass man-ufacturer, whose space division helped with research work on the glass material. It is looking for a further £2m in the spring to help market the product.
Income from the innovation
will be generated through hire of lenses to film companies, dis-tribution charges on films and videos made with the system. licensing agreements and through industrial and military applications. The glasses will be sold initially to young people for between \$8 and \$25.



Small wonder a major US bank chose a British Steel-framed building for its new London head office. Today, steel looks as good on the costing sheet as it does on the designer's drawing.

Steel-framed buildings are also strong and faster to erect, and British Steel now holds its biggest share in the high-rise market for 50 years.

High-rise also describes what we've achieved in quality, reliability and customer service.

That's how we're backing Britain's industrial recovery.

We're selling British Steel around the world. Steel arches for mines... zinc-coated steel sheet for cars... steel for industry, for transport, for the farm, for the home....

Easier said than done, when you consider that world steel supply exceeds world demand. But done, none the less. With a combination of hard work and hard sell.

We've moved from deep loss to rising profit. Only a few of the world's steelmakers have achieved this.

If you'd like to know more, write for our colour brochure to British Steel Information Services. 9 Albert Embankment, London **British Steel** SEI 7SN. In shape for things to come

### **Exhibition** group formed BY DAVID CHURCHILL

Telephone boxes will be to bus shelters, country cot-

selected for listing because of tages to stone crosses.

**Government to preserve** 

THE DECISION to phase out their "special interest" and Britain's traditional red public their contribution to social and

The quota is double that agreed last year, and represents 2 per cent of the total.

The quota is double that tional red telephone boxes have been phased out by British Telecom in faculty and the property of the total.

economic history.

Most of those saved will be 1935 models, designed by Giles Gilbert Scott, and located in

or in attractive urban or rural

boxes, which require less main-tenance and are more suitable for disabled users.

brisk for the old boxes.

Meanwhile, trade has been

Edifices selected for listing

cover curiosities from palaces

1,000 red phone boxes

A TRADE association, the Exhibition Industry Federation, has been formed to promote the growth of the exhibition busi-

The move brings together for the first time venuo owners, exhibition organisers and site contractors to help existing trade bodies to promote trade ahows.

Mr Leonard Lickorish, chairman of the committee setting up the federation, said: "The exhibition industry attracts an annual spend of \$500m and more from domestic and over-seas visitors to events in this country, and there is a great deal more potential, especially from overseas, with resulting benefits to the UK."

# Hurd vows legal action against 'war criminals'

FORMER NAZIS and others alleged to have been guilty of war crimes who now reside in Britain will be brought to trial, Mr Douglas Hurd, the Home Secretary, assured the Com-mons last night.

He ruled out the inclusion of specific amendments in the Criminal Justice Bill to provide for their extradition, but stressed: This is not a matter which can be allowed to drop."

Mr Hurd explained that he had already discussed the issues involved with MPs in the all-party War Crimes Group and that more work needed before firm proposals could be brought before the House.

He promised to announce how pursue the matter before the bill, already spproved by the House of Lords, reached report

Mr Hurd confirmed that in due course he would introduce proposals which permit account be taken by courts of Instances where an accused person's right to remain silent results in the prosecution being "ambushed" through the intro-duction of an hitherto undis-

THE COMMISSIONERS of the

Church of England are to review the tradition of inviting

a clergyman to write an anony-mous preface to Crockford's

Clerical Directory, the Church's official yearbook, MPs were told yesterday.

of a person to remain silent throughout police investigstions and throughout a trial would remain, although the court would be entitled to draw reasonable inferences when a new line of defence was pro-

More work needs to be done and this bill is not the right place for the provisions that will be needed," he said. The Home Secretary also announced that an amendment to be introduced by the Govern-

ment during the bill's commitment during the bill's commit-tee stage would make it an offence to possess indecent photographs of children. He maintained that child por-nography victimised the chil-dren who were exploited by it and fed instincts which gave

rise to sexual abuse of children. Mr Hurd said: "Offences of taking, showing and distribut-ing indecent photographs already exist, but we are per-suaded that it would be justifiable to criminalise simple pos-session, in the hope of stamping out this degrading trade."

He claimed that the bill

fould reinforce the protection tal question of equal rights under the law and equal access Mr Roy Hattersley, Labour to the process of justice. would reinforce the protection of the citizen and his family.

He contended that the right deputy Leader and shadow Home Secretary, insisted that what Mr Hurd had described as steps to prevent the prosecu-tion being "ambushed" amounted to a limitation on the right to silence and a further reduction of civil liberties.

Mr Hattersley forecast that the provision permitting speals to be initiated by the Attorney General against unduly lenient sentences would lead to campaigns launched by tabloid newspapers being taken up from the Tory backbenches. Then, he said, the Prime Min-ister would not allow the Attorney General to do anything other than appeal for a longer

Mr Hattersley argued that providing a right to appeal for the imposition of a longer sen-tence was wrong in principle because it placed the convicted person in jeopardy of being sen-tenced twice - and being forced to serve whichever was the

most severe sentence.
He moved a reasoned amendment calling for the rejection of the bill on the grounds that it failed to address the fundamen-

Crockford's tradition reviewed

Mr Alan Williams, the shadow Welsh Secretary, said the reform of the rating system would combine with other government polieles to damage jeb prospects in the valleya. The impact of the poli tax and the revaluation leading to a

### Poll tax jibes fail to upset Walker

By Tom Lynch

MR PETER WALKER, the Welsh Secretary, yesterday shrugged eff Labeur attempts to embarrass him over his unenthusiastic Commons speech last month

Commons speech last month on the proposed replacement of domestic rates with a flat-rate community charge, or poll tax.

Mr Ronald Davies (Leb., Caerphilly) said Labour had noted Mr Walker's "obvious displeasure and distress" when he opened the second day of the second reading debate on the Local Government Finance Bill. "When you went against your betyou went against your bet-ter judgment and voted for ter judgment and voted for the hill, were you doing it to advance your own per-sonal ambition or out of fear of the Prime Minister?" To laughter, Mr Walker -the last "wet" still in the Cabinet whose move from the Energy Department to the Weish Office after the general election was widely seen as a demotion -

seen as a demotion - replied: "I think both, probably."

any."

He said the poll tax would be a fairer and better system for Wales and rejected Mr Davies's contention that every household in the poorest part of mid-Glamorgan would be worse off under the tax. Mr Walker said many ene-parent families, widows and others carrying an unfair burden under the rating system would bene-

uniform business rate would be twice as severe on small businesses as large

Peter Riddell on why the Government is in a mess over health

# Moore in search of the right cure

the current debate over the National Health Service. Additional money will be made available, and there will be changes in the structure of the NHS. But it is still unclear how much and when.

much, and when.

The Government is in a political mess over the NHS. It has
been forced on the defensive been forced on the defensive over the past three months in face of daily reports of ward closures, emotive stories about delays to operations to babies and pay disputes leading to concessions to medical staff.

The issue now dominates the television news bulletins almost every evening and has produced complaints even from the Tory tabloids about Mr John Moore, the Social Services Secretary.

Moore, the Social Services Secretary.

Mr Moore is in an exposed position shead of today's debate on the NHS. Just as he was over-praised last autumn as the bright new hope of the Thatcherites, now he is being criticised too heavily. He has always been better as an implementer rather than an initiator, as he showed when running the orivatisation programme from privatisation programme from 1983 to 1986. A friendly col-league points out: "John is fine when you point him in the right

direction."
Other ministers are less kind. Other ministers are less kind. They feel be is the wrong man to run the Department of Health and Social Security and regard him as a lightweight, who is very much Mrs Thatcher's appointee and dependent on her. With little personal following he is thus subject to jealousy, whispers and back-stabbing. Critics argue that he did not press strongly enough last autumn. strongly enough last autumn for additional NHS spending.

Mr Moore has only just returned from two months' absence through likess. And he is now being pressed to take early action to seize the initiative not only by persisent crit-ics but also by mainstream min-isters and backbenchers.

The snag is that the Government does not appear to have anything very new to say in the short term. The line from the top of the Government yesterday was that Mrs Thatcher — who saw Mr Moore for half-anhour yesterday - stands right behind him all the way.



tere the NHS - and his own political

The official line — reflecting'
Mrs Thatcher's relentless answers at Prime Minister's to pay up unconditionally. Mr John Major, the Chief Secretary, made plain at the end of parties, the media and competing health service unions. Waiting lists have been reduced and many more patients are being treated. So there is no need for a formal review or a green paper. Instead, the prior-

green paper. Instead, the priority is greater efficiency and value for money.

All this may be true, but it will not remove the political pressures. Privately, many ministers agree with the view of Mr John Biffen, the former Leader of the Commons, in last Thursday's economic debate that, "for the immediate future, there is no way that the public

there is no way that the public will be convinced that bed closures, ward closures or hospital closures are consistent with an adequate health service, even if the number of operations and the amount of expenditure are at record levels. In the short term there is no alternative to a term there is no alternative to a further enhancement of expen-diture upon the health service.

The Treasury can hardly argue the money is not avail-

able for extra spending as well as for tax cuts in view of City: economists' estimates that the Chancellor may have £4bn, £5bn or even £11bn spare for for a possible fourth term. But now they are less sure. The issue has become more press-

Mrs Thatcher has herself ruled out some changes before the next election like hotel charges for hospital patients and she has been sceptical about health insurance propos-

However, radical ideas of various kinds have attracted support not only from the support not only from the younger free-market MPs, but also from more traditional Tories like Mr Biffen. In particular there has been a lot of interest, including apparently from Mrs Thatcher, in a short Centre for Policy Studies pamphlet by two former members of her Downing Street Policy Unit, Mr John Redwood, now MP for Wokingham, and Mr Oilver Letwin.

They have urged a series of changes, including the devolu-tion of the NHS into an indeneedent trust, and health credits, with the long-term goal of a health insurance system. But, on their view, an immediate

formal inquiry is needed.

Proposals which would have been considered taboo only a couple of months ago are now being openly canvassed. But while there is now widespread agreement among Tory MPs on the need for radical change, there is no consensus yet on the

there is no consensus yet on the form of such change.

The present position is in many respects similar to that in education two years ago. Then the Government was also on the defensive following disruption and protests, and there was appearing pressure by Conservagrowing pressure by Conserva-tive MPs for a fresh political impetus and for a radical

change of policy.

The answer from a new Education Secretary, Mr Kenneth Baker, was to secure an extra £2bn or so from the Treasury to buy short-term peace in the schools and to provide a breathing space before propos-als for a far-reaching shake-up in the school system were brought forward.

Mr Moore now faces a similar challenge, and opportunity. He will have to show all of Mr Baker's political skills both in winning money from the Trea-sury and in public advocacy if he is to regain the initiative.

However, Mr Frank Field (Lab, Birkenhead) said anonym-ity could lead to "unfortunate the Central Board of Finance

Mr Michael Alison (C, Selby), who answers for the Church Commissioners in the Commons, said the review was being carried ont in view of the "exceptional controversy" over the preface to the current edition, which was widely inter-preted as an attack on Dr Robto tell lies to protect it. ert Runcie, the Archbishop of Canterbury. controversy should be shifted tion of anonymity.

Dr Gareth Bennett, the author from the anthor's anonymity to of the preface, was later found the fact that "a handful of dead in his car with a rubber politically motivated bishops" tube leading to the exhaust.
Mr Harry Greenway (C, Ealing North) urged the commisthousands of priests. Mr Allson said controversy

sioners to give future authors had always been a feature of the option of anonymity, which would be respected "in all cirnett's preface had been "well nett's preface had been "well worth reading and writing". He told MPs: "In the circumconsequences' when the author will be reviewing the arrange-was put in a position of having ments to be made for future editions of Crockfords. Mr Robert Adley (C, Christichurch) said the focus of the himself had praised the tradi-

longer-term funding of the health service. Until last month senior ministers had regarded a fundamental restructuring of the health service as a question REVISED POLICY DOCUMENT FOR SOCIAL AND LIBERAL DEMOCRATIC PARTY

# Specifics make way for general priorities

THE recast policy document
designed to form the basis for
the launch of the Social and
shared beliefs and policies that the launch of the Social and Liberal Democratic Party, which was drawn up over the weekend by a six-man negotiating committee, is inevitably as where early updating is most clection and, by the time of the surrounding the issue has next Trident will have been changed substantially in recent many control of the Social and shared beliefs and poncies that the launch of the Social and have drawn the two parties determent as well as being many development was sanctioned in the original document, the original document was sanctioned in the original document. ing committee, is inevitably as interesting for its omissions as for what it includes.

The result appears to be more a statement of general goals, clearly designed to minimise objections, rather than the more specific document pro-duced last week by Mr David Steel, the Liberal leader, and Mr Robert Macleman, his SDP. opposite number.
Some Liberal MPs, who

seemed satisfied with the docu-ment, concluded initially yesterday that the extraordinary events of the last few days could have been avoided if the two leaders had adopted a simi-lar approach to their task. which was the subject of deci-sive, joint negotiations between the two parties late last night, says that a merged party intends to create a "starting

cratic, yet careful and delibera-tive policy-making processes we have established for our members in our constitution.

urgently required.
But in order to win a desper-

ately-needed conseasus within both parties, the revised docu-ment has made significant alterations to the controversial policy areas which led to the suspension of merger talks last

MICHAEL CASSELL on a document with some intriguing omissions

The document stresses the new party's commitment to Nato — a subject which also provoked arguments during the constitutional negotiations — and recalls the 1987 manifesto commitment that the Alliance would maintain, with whatever necessary modernisation, the British minimum nuclear deter-rent until it could be negotiated away in the global arms reduc-

would cancel Trident because it next Trident will have been substantially paid for and will probably be ready to be denloved.

there are pre-conditions. In a speech reflecting the imprint of Mrs Thatcher and Mr Nigel Lewson, he stressed the need to

agement questions of the NES" - notably the marked contrasts

in relative performance on costs, length of stay and murses hours between different

Mr Major emphasized that

"those questions need an answer before we or the Oppo-

sition can know that shortage of funds is the problem. If the answers are unsatisfactory, the

case for looking first to improve value for money becomes unanswerable". That is why the Treasury insisted upon tighter monitoring of perfor-

mance before agreeing last month to extra money for the

current year.
This drive for improved efficiency is only part of the response since the recent row has reopened the debate about

deployed.

The new party will therefore need to decide how to reconcile these changing realities with the manifesto commitment to maintain our capability in the sense of freezing our capacity. at a level no greater than that of the Polaris system."

The document reiterates the joint commitment to an attack joint commitment to an attack on poverty but excludes any references to the imposition of VAT on food, children's cloth-ing or financial services. Nei-ther is there any reference to phasing out mortgage interest relief, but merely to limiting it to the basic rate of income tax. Instead it says that one of Instead, it says that one of the party's first priorities for the policy-making machinery would be to examine how to ensure that benefits and ser-vices reach those who need

On civil nuclear power, upon

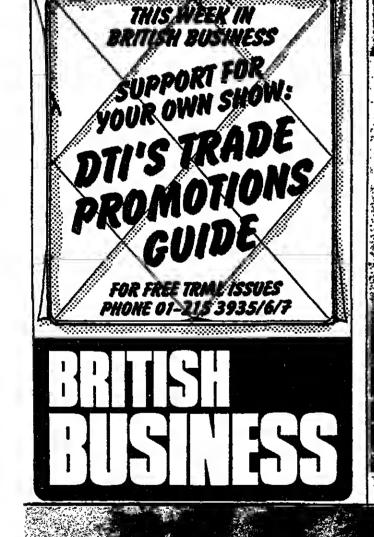
years. They say that, in Britain, the subject is "clouded by obsessive secrecy and by doubts and confusions concern-ing the future of the electricity industry and its impending pri-The new statement continues:

"There is no evidence to show that the private sector will wish to finance new nuclear capacity. Our 1987 judgment that we see no case for pro-ceeding with a PWR (pressur-ised-water reactor) at Sizewell or other nuclear power stations at the present

or other nuclear power stations at the present time' looks increasingly sound.

"We recognise that the Government will set the pace and direction for the nuclear industry into the 1990a, including research and development on the fast breeder reactor and nuclear fusion.

On housing, the document pledges the new party to offer-ing equal support to people renting and to those buying





# Whingeing Poms dig up penal colony past THE ITEM on yesterday'e Commene order paper seemed inoffensive enough.

Commene order paper seemed inoffensive enough. It was proposed that "an humble address" be approved to make a gift of a vice-regal chair to the new Parliament House in Canberra to mark the Anstralian bicentenary.

But memories of Botany Bay and the deportation of humble British working men and dissenters to the eld penal colony immediately struck an atavistic chord among the Pommioes on the Labour benches.

Labour benches.
The exchanges became so excitable that one could

takenly assuming that some had been einking a few tabes of the amber liquid.

This would, however, have been rather difficult as the bars in the Commons do not serve Fosters or any other Aussie lager. Only beers from the European Commu-nity are provided.

All this dwelling on the transportation of the origi-nal convicts seemed to pro-voke some nervousness on the Tory benches. There was one suggestion that the lady in Number 10 might see this as a aseful way of disposing of dissenters in her own party, particularly the 50 Tory rebels who defied the three-line whip on the Protection of Official Information Bill last

Friday.

These formal occasions are usually approved on the nod with a few gracious words from both sides of the House. But this time Labour's shadow Leader of the House, Frank Dobson, launched into a tirade, recalling the destruction of recalling the destruction of the Aborigines way of life and the disgusting way in which British citizens had which british equipment had been dumped in Australia.
Anyway, he wished Australians well even though as a boy he had thought of them



as a group wearing funny green caps and led by Don Bradman.

Now he recognised that they were making a civi-lised contribution not just to sport, but to art and litbenches: "And lager").

"My best wishes will be made that bit more sincere by the knowledge that Mr Rupert Murdoch is now an

American citizen," he con-chaded. That noted, Liverpool radical Eric Heffer was not to be left behind on such an

torical disquisition on the rights of the Aborigines and wanted this to be taken note of in the motion. They had been living in Australia for 40,000 years, nay, some archaeologists now thought it was 100,000 years.

Bored Tories mumbled that it felt that his speech had been going on for a similar length of time — an irreversal suggestion that

flar length of time — an irreverant suggestion that provoked a furious counterblast from Eric about the lack of seriousness on the beaches opposite.

Naturally, nobody was suprised when Labour's Tam Dalyell, that there in the side of successive governments, groudly declared that some of his dissenting ancestors had been transancestors had been trans-ported and that there were porce and that there were now more Dalyells in the Sydney and Melbourne tele-phone directories than in the Edinburgh and Glasgow.

Banks, who in the past has shown a curious obsession with parrots and great turtles, was more concerned with the Australian attitude to animal life. They were, he complained, shooting kangaroos and elephants from helicopters. Elephants in Australia?

This mystery was cleared up when Eric Heffer tried to force a vote on the motion. Banks rose on a point of order and the traditional top hat, which has to be donned on these occasions, was thrown to him like a boomerang across the chamber. He wanted to put the record straight. It had been drawn to his attention that there were no elephants in Australia.

In the end, the division

In the end, the division was called eff and the motion approved. The government whips would not have given a XXXX for anything else.

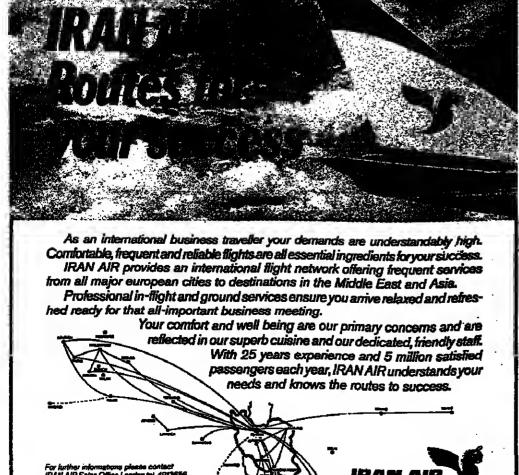
JOHN HUNT

But left-winger Tony



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# Peer's 'protest' defeats Government

THE decision of a peer to call a vote yesterday in "sheer pro-test" at the growth of the use of regulations to govern, led to an emberrassing first defeat of the session for the Government in the Lords - by a two-vote mar-

gin.

The 94-to-92 votes defeat came over the Government's proposalto give the Lord Chancellor, Lord Mackay, and not parliament, power to lay down in regulations which categories should be allowed legal advice and assistance under the Green

available for making a will or During the committee stage of the Legal Aid Bill, Lord Mishcon, Labour's Home Office spokesman, told peers:
"Because you are made power-less on a matter that affects so When the Lord Chancellor, by

many of our citizens, I shall in regulation, laid down categories sheer protest about the legislative procedure, ask the House to give a verdict."

He said the Government proposils, which would cause it was simed to resvent duels. posals, which would cause it was aimed to prevent duplinguistice and hardship in some cases, would mean advice and Scheme, through the use of regestatance would no longer be ulations.

Weighing in at a nifty 20 lbs, we present the new Compaq Portable 386. Pound for pound it's the most powerful computer ever built. While others are struggling

to deliver their first 386 based p.c's, Compaq (just a little proudly) bring you their leaner, fitter, faster second generation.

### SPEEDY SPECS

Feast your eyes on these specs. (Sorry, we're about to nose dive into some jargon.)

The Portable 386 has a 20-MHz micro-processor, making-it a full 25% faster than 16-MHz computers. (That's very, very, very fast.)

We're also talking 32-Bit architecture here In other words this baby shunts

### MORE WAITLESS FUNCTIONS

Compaq Expanded Memory Manager. What does it do? Basically it opens up

phenomenal amounts of memory for you, (beyond the MS-DOS limitation of 640 kilobytes), up to 8MB. It means you can cope with huge quantities of information without having to buy extra hardware. (You can throw wild parties with the money you save!)

Optional 20-MHz Coprocessor. This little gadget does mind-bogglingly complicated mathematical calculations in a jiffy. (Up to 25% faster than other 20-MHz 80386 based p.c.'s to be precise.) Especially useful for adding up



# SMPASIPORTABLE 386. MINISTRACTION OF THE STATE OF THE ST

information about 32 chunks at a time, making even the lightning responses of current 16-Bit machines look decidedly slowwwww.

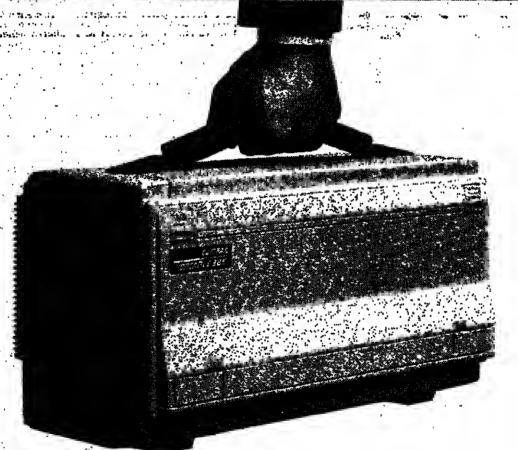
Up to 100-MB Fixed Disk Drive. This is heavyweight storage capacity. More than 50,000 pages of information built in, with an average access time of 25 milliseconds, (no time at all). This saves you having to lug around the equivalent of eighty-three 1.2MB diskettes (For those with more modest storage needs there is also a 40MB model.)

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for 10MB that will help you run rings round the most complex of tasks.

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all the profits you've made using Compags.

### BLACK LEATHER

Yes, as with previous Compaq portables, the new 386 comes with its very own black leather, or nylon carrying case. (Well what did you think we were going to say?)

### STANDARDS OTHERS DON'T STICK TO

Unlike certain manufacturers we could mention, we don't see why the thousands of pounds you've already invested in hard and software should be lost for the sake of change. We've made the Compaq Portable 386 compatible with all your industry standard products

designed for 80286 based systems. It simply runs them at breakneck speed.

### EVEN MORE ASTONISHING

The most amazing thing about the new Portable 386 is that...Whoops! It's the old problem, we're out of space. Fortunately all you have to do is make a bee line for your nearest Compaq Authorised Dealer and he'll take over from here.



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WE'LL NEVER CEASE TO AMAZE YOU

ERIC HEARN, managing director of Atlas Management, a Birkenhead-based manufacturer of identity labels, spent 21: years trying to make a sale to the Ministry of Defence.

"it was an impossible organisation to approach," Hearn recalls. "We kept on writing to them but we couldn't break in anywhere."
The breakthrough finally

came, Hearn says, when he met Errol Grieve, head of the MoD's Small Firms Initiative, at a roadshow organised by his local chamber of com-merce. The initiative is a seven-strong team in the MoD's procurement department set up in November 1986 to make the ministry more accessible to small suppliers. After that meeting, depart-

ments in the MoD suddenly became much more responsive and Hearn finally located the buyer he needed among the 1,200 employed by the ministry. Atlas, with a workforce of only seven and turnover of \$250,000 a year, has sold just one system for labelling uni-forms to a naval training establishment, HMS Raleigh. but Hearn has high hopes of more orders to come.

Atlas has benefited from government attempts to reduce spending by making it easier for small firms to compete in the supply of equip-

The business is worth chasing, for the sums involved are large. The Ministry of Defence spends about £6bn a year, much of it on new technologies, while the National Health Service dispenses £3.5bn on anything from dial-ysis machines to babies' dum-

For many small firms, department or even the large commercial company can be a tender for a job its manufactheir own initiative to become nightmare. The small man turing procedures will have to registered contractors," notes often does not know whom to approach; the quality control dards demanded by governstandards of the large organisations may be tougher than he is used to; and handling the paperwork can be daunt-

Horror stories abound of take months.

A survey of defence sector that its story. Small companies often procurement carried out in story. Small companies often 1985 by Julian Forrester for make little attempt to under-Tidek Management Consulstand how big organisations tants concluded: "The number work or adapt their approach contracts traditionally domiof small firms competing in to win an order.

The market could be doubled Nor are small firms always if relatively simple measures very flexible aboot matters awarded contracts worth disposable items — and to



# The best form of attacking Defence

Charles Batchelor on government moves to widen its supply net

Small companies with products which departments bought through open tenders were often put off by the The MoD's small firms interest of the Mo

Even before a company can

lem - departments or agen-"The first problem is knowing where to start," says
Andy Scott, deputy director ing the settlement of bills – if
of the CBI's small business an invoice gets lost or misses

Iem – departments or agenment exhibitions."

Small companies for 13 per cent of try's equipment try's equipment.

excessive bureaucracy."

But bashing the big boys for tractors.

A survey of defence sector their failings is only half the The MoD also runs a Small

were taken to identify relevant buyers and technical suppliers frequently react though the amounts involved staff within the prime with suspicion if they are are tiny compared with MoD's defence contractors." Simple inertia meant that ment in return for a discount \$150m.

for many years government on the order price - a common • Prime mover in the Govern-

attempting to do business costs of putting in a competi-with the large government tive bid. tixe bid. tix In the past people applied on tender for a job its manufac- their own initiative to become

> "Now we go out and look for companies. We distribute information through the chambers of commerce and the enterprise agencies and we also attend defence equip-

for 13 per cent of the minisof the CBI's small business an invoice gets lost or misses try's equipment spend in up the market to their own rather than siming for value unit. The bigger the organisa a computer run, sorting out 1986-87 though they took a advantage, he says.

The National Health Service sole criterion it will be the tracting work for prime con-

for many years government buyers were content to do business with long-term suppliers and little or no effort was put into developing new contacts.

Small companies with products which departments bought through open tenders bought through open tenders buyers growing number of initiatives bought through open tenders.

On the order price - 2 common on the Government's attempts to diversify its sources of supply is the central Unit on Purchasing, a was told it would not have time to respond within the growing number of initiatives value for money.

We said we were the best purchasing of the control of

Government departments have been inclined to take the a day if necessary. ness or Truro and wash their hands of it."

Small firms, by contrast, ular part of the business com-can provide local delivery, munity. faster service and break up Many small businessmen faster service and break up Small companies accounted any tendency among large or 13 per cent of the minisestablished suppliers to carve

> set up a Procurement Direc- larger firms, with their econotorate in January 1988 to sug- mies of scale, which will bengest improvements in pur- efit.

develop better ways of com-paring prices by the the NHS and other organisations.

Despite the improvements that have been made there is still a long way to go. Many government departments have done little to monitor their purchasing activities in the past and only half the 40 departments surveyed by the

has been some progress but is pressing strongly for "set-sides" - the allocation of a percentage of government appending specifically for small firms. Michael Grylis, MP, chairman of the bureau, whitehall as a source of small companies to be finance or advice, convinced that civil servants do oot

Individual companies, meanwhile, report continuing problems in dealing with gov-ernment departments. One defence supplier which asked

walue for money.

"We said we were the best mike Willacy, a former genjudge of whether we could be and of the unit and the said we were the best judge of whether we could be the said head of the unit, says he is firm's managing director, who keen to promote small firms. asked not to be named. "We would have worked 24 hours

Even where efforts are easy way out," he says. "They will go to a central govern-ment agency, write out an firms it should not be forgot-order for delivery to Inver-ten that the Government's primary aim is to cut its owncosts - not to favour a partic-

> fear cost cutting is being interpreted as buying cheaply rather than aiming for value

Liasted reading: Teachering for Governments contracts. Advice for treat Bross. Department of Employment. Small Firms Bervies, Stee Houses, Totalil Street, Landon SWIH 98FF, Setting to the MoD, MoD CS(PS)2 Gen. Stratistic Flood, Landon SWIE 4CU pand

### Government aid

# Consultancy spread wider

Charles Batchelor explains where to look for extra funds

departments surveyed by the Central Unit on Purchasing could estimate the contribution by small firms.

The reaction of the small business lobby groups to these efforts has been mixed. The Forum for Private Business asys it is impressed with the progress.

The Small Business Bureau, the Tory Party's small firms organisation, concedes there has been some progress but is pressing strongly for "set-asides" – the allocation of a percentage of government spending any government spending appearance of the four they think the problem justiness it they will recommend they will recommend

wants small companies to be guaranteed 10 per cent of finance or advice, convinced that civil servants do oot spending – along the lines of similar schemes in the US.

Government departments are unenthusiastic, however. John Cope, Small Firms Minister, told a seminar of senior country to provide counselfer, told a seminar of senior of fires and if required referral

country to provide counsel-ling and, if required, referral porchasing officials in ling and, if required, referral November: "I am sceptical to a professional management about setting specific target consultant, should overcome this reluctance to deal with

government directly.
This network of offices - 27 new ones are planned along-side the Department of Enterprise's existing seven regional offices - will also add the existing range of services available to small firms through the 300-plus Enter-prise Agencies and the 10

agency or Small Firms Service The enterprise agencies pro-

The larger company which is already established but now wants to expand should apply to an enterprise coun-sellor in one of the Depart-ment of Trade and Industry offices. Many of the new "sat-ellite offices" will be based in enterprise agencies or chambers of commerce.

involves a simple form giving details of name and address. The form will be sent to the local office which is best suited to deal with the case suited to deal with the case production, materials selected to deal with the case production and pr and its staff will make contact with the businessman. A problem which will

The new enterprise counsellors will give two days' free advice: and assessment

undoubtedly arise is whether enough new enterprise coun-sellors of sufficient quality can be found. The Small

Employment.

Will the small businessman retain, in retirement, the abilknow where to go for advice? ity to solve the problems of the small business, is clearly limstart-up or early-stage comitted. There are already plant power and to call on outside experting expert start-up or early-stage comitted. There are already plans pany in need of advice should to use some of the Small approach its local enterprise. Firms counsellors in the enterprise counselling pro-

1,000 consultancy projects Lord Young envisages will take place each month over

the next few years.

That said, the idea of providing subsidised consultancy advice is likely to prove very popular. The Support for Marketing scheme launched in September 1986 met with the consultance of the Office in Classical the test of the Office in Classical and the test of the test of the Office in Classical and the O such demand that the govern-The new enterprise counsel. Inent was forced to more than lors will give two days of free double the \$2.5m initially advice and assessment. If allocated to it.

tion and product safety.

Two new areas of consultancy advice will be introduced in April. They are business pianning, to heip companies control costs, lift profits and raise new finance, and financial and information systems to allow companies to improve budget and financial control, maintain accounting records and decide on their computer and software needs.

Lord Young also promises a reorganisation of the British sellors of sufficient quality can be found. The Small Firms Service already has more than 300 of its own counsellors in England dealing with 25,000 cases a year.

The number of qualified businessmen who are not porter and to call on outside to the non-expertise so it is

One part of the enterprise initiative which may make an impact only in the long term is a plan to encourage teach-There is also the question of ers to gain commercial work vide advice in an informal whether there are enough experience. Various promanner while the Small Firms management consultants offices give three sessions of available with an understand-three counselling followed by ing of the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the ment have been tried in the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the ment have been tried in the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the ment have been tried in the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the ment have been tried in the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small business to supply the special problems of the idea of seif employ-up to 10 further sessions at small problems of the idea of seif employ-up to 10 further sessions at small problems of the idea of seif employ-up to 10 further sessions at small problems of the idea of seif employ-up to 10 further sessions at small problems of the idea of seif employ-up to 10 further sessions at small problems of the i recent years but teachers are frequently unenthusiastic about schemes which involve pupils running their own

> tish Office in Glasgow and the Welsh Office in Cardiff. Or ring Enterprise Initiative on Freefone 0800 500 200.

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The Joint Administrative Receivers offer for sale the business and assets of this specialist. in high fuality four colour reproduction based at Easteigh, Hants.

Turnover approximately £750.000 p.a. Asset for sale include leasehold premises, modern reproduction equipment, printing stock and an extensive customer list.

further information may be obtained from G A Auger, FCCA, Joint Administrative Receiver RefTD/TM.

Stoy Hayward

A Monitor of Horwith & Howeld International ACCOUNTINES BUSINESS ADVISERS. MUNICIPALITY CONSULPANS 8 BAKER STREET LONDON WILLIDAL TELEPHONE 01-196 5888

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- . . .

### CHESHAM. **BECAUSE YOU ONLY SELL** YOUR BUSINESS ONCE.

Chesham are the leading mercer brokers in Britain and have confidential brefs from several hundred public company chairmen, who are looking to bay successful, private companies worth £500,000 to £25m.

If you're thinking of selling your business, contact our Managing Director to arrange a confidential discussion.



Andley House, 9 North Andley Street, Landon, WIY 1WF, Telephone: 01-6255917.

### LIGHT FANTASTIC

Radlett, Hetfordshire

The Joint Admistrative Receivers of Lumi-Low Limited (the Light Earthlie) offer for sale; as a going concern, the business and acts of Light Fantastic, a retail lighting shop.

- The principal sets include:

  \* Excellent cablished specialist retail lighting unit
- Prime posion leasehold premises
   Self contained private or office accommodation above sho
- \* Good offic and storage facilities

  Turnover 100,000 approx.

  \* Stocks £4000 N.B.V.

For further formation please contact the Joint Admistrative Receiver: J. A. G. Akander, Esq., 

KPING PeatMarwick McLintock 1 Puddi Dock, Blackfriers, London EC4V 3PD Telephie: (01) 236 8000. Telex: 8811541

# Transquip Limited For Sale s a Going Concern

Designers and anufacturers of aircraft containers

- ◆Both civil an military
- ◆Full CAA all IATA approval ◆Based at Faham, Middlesex
- ◆Turnover/e31.12.87 approx £1.7m Further immation may be obtained from the Administrave Receiver, R Hocking FCCA (reference: FMS).

Stoy Hayward

A Maribor of Howard Howard International
ACT PROPERTY ADMISSES AMMAGINETO CONSULTING SRAKER STEEL LONDON WIM IDA. TELEPHONE 01-186 5888

### EFENSE CONTRACTOR - USA

Manufacturer of speciality littings for nuclear submarines and Siface Ships for U.S. Navy. Fittings manufactured in CU.NI/0/3D, Monel, Inconel 625. Located on West Coast. Proffible annual sales of \$5 million. Contact U.K. agent foto arrange for meetings with U.S.A. chairman in London February 1 thru 5, 1988.

Costac: Mr Frank P Murphy, Dynamic Controls Ltd, Roytin, Ocham. Tele: 061-633-3933 or Fax 061-633-4113

WATORD MOTORISTS FACTOR LIMITED (IN RECEIVERSHIP)

The busies and assets of this Watford based motor spaces dealer the sale (its receiver M P K Merali.

(1) Lessold property comprising of bonded and non bonded warshs (2) Stocked goodwill.

- M P K Merall-Lucky
76,30 College Road,
Harrow, Middlesex HA1 1EX
Telephone - 01 861 3040
Telex - 918760 Fex - 01 861 3076 MERLI'S CHARTERED ACCOUNTANTS

### **Lakeland Borders Holiday Park**

The holiday park business of Border Developments Limited (In receivership) is available for sale as a going concern. Assets include:

- 132 acre freehold site at Silloth, Cumbria (approx. 20 miles north of Keswick)
- Central complex including pub, night club and family
- Heated swimming pool
- 86 letting chalets 70 caravan hire fleet
- Licence for 500 static caravans; approx: 285 privately
- owned on-site Licence for 600 touring caravans
- Fufly occupied residential mobile home part; 50 pitches Enquiries to: A. E. James, Price Waterhouse, Sun Alliance House, 35 Mosley Street, Newcastle upon Tyne NE99 1PL. Telephone: (091) 2328493, Telex 537222, Telescopier (091) 261 9490.

Price Waterhouse



### IMPORTERS AND WHOLESALERS OF DRIED FLOWERS

NORTH LONDON

The Business and Assets of Dutch Touch Ltd Trading as The Flowering Dutchman are available for Sale as a going concern.

Principal features comprise:

Leasehold Premises

\* Substantial Stock of Dried Flowers \* Annual turnover of approximately £400,000

For further details please contact: Joint Administrative Receiver of Dutch Touch Ltd., Roger Oldfield

**KPMG** Peat Marwick McLintock

1 Puddle Dock, Blackfriars, London EC4V 3PD Telephone: (01) 236 8000 Telex: 8811541

### LUMI-LOW LIMITED

The Joint Administrative Receivers offer for sale the business and assets of Lumi-Low Limited as a going concern. The company's principal new product is the "Lumidrive C," an adaptor designed to allow fitting low energy lamps to conventional light sockets.

- The principal assets include;

  \* Sound product base

  \* Innovative products

  \* Specialised tools and equipment

  \* Goodcustomer list
- # Turnover £750,000 approx. \* Stocks £275,000 N.B.V.
- \* Registered trade names
  For further information please contact the
- J. A. G. Alexander, Esq.,

**KPWG** Peat Marwick McLintock

1 Puddle Dock, Blackfrians, London EC4V 3PD Telephone: (01) 236 8000. Telex: 8811541

### British Railways Board

have announced their intention to consider offers for the

### Vale of Rheidol Railway

The last steam-hauled narrow gauge railway in the ownership of British Rail

Lazard Brothers & Co., Limited has been appointed by British Railways Board

to advise on the sale For further information please contact:

Lazard Brothers & Co., Limited, 21 Moorfields, London EC2P ZHT Telephone: (01) 588 2721 for the attention of Michael Roberts, Director

### **BUSINESS FOR SALE** DUE TO THE IMPENDING RETIREMENT OF THE OWNERS

- Niche Market designing and producing Factory Automation Equipment T/O £1 Million +
- Bitue Chip Customer Base
  Assets for sale include Modern Plant and Machinery Stock,
  W-j-P and Intellectual Assets
- \* Loyal and experienced team of twenty-three Employees

  South-East location
- Potential for substantial profits given young and

For further details contact: N A Schofield Brownlow House,

stownsow risense, 50/51 High Holbern London WC1V 6EG Tel: 81-485 8411 Teles: 8973377 Fax: 81-405 9772



### £646,000 Net Profit before tax

Owing to ill health of Company Director, 48% share for sale in prosperous, and long established manufacturing Company allied to the Construction Industry.

Turnover and profits for first quarter of this financial year ahead of last years figures. Possibility of a 50% holding in the future. Offers over £1.3 million.

Reply to Box H2991, Financial Times, 10 Cannon Street, London EC4P 4BY

### HIGH QUALITY KITCHEN AND BATHROOM RETAILER



The business and assets of a company specialising in high quality littchen and bathroom fitting are available for sale as a going concern. The business for sale is a division of a subsidiary of a public company wishing to dispose of a non-core business.

The company operates from prime site premises in selected.

to make approximately 2400,000 p.e.

10 employees, including installation teira
lesselence shop premises together with warehouseing

designed supplier for household name brands

Coopers &Lybrand

All enquiries should be addressed to:-PW Birchell FCA Coopers & Lybrand 86 Queen Square Bristol BS1 4JP Tel: 0272 292791 Teles: 449852

### FOR SALE

Mechanical and structural Engineering company, Established over 20 yrs. Situated on major North Wales Industrial estate having substantial freshold property and 10 acre site.

The company operates from its own Fabrication Shops and on major sites in the following areas of production and erection.

a) Structural Street.
 b) Construction of Tanks, Vessels and Associated Pipings.
 c) General Fabrication.

Turnover in current year 23m. Profit Profit 2250K.

The Company was taken over in February 1987 and the Directors believe that the involvement of a larger organisation in Civil or Mechanical Engineering will enable it to realise its full potential. Enquires to: Box H2973,

Financial Times, 10 Cannon Street, London, EC4P 48Y.

### FOR SALE

Long established, highly profitable service organization dealing with electronics equipment, from industrial computers to audio/visual. The business, situated in the northern home counties, has considerable growth potential with the technical skills and goodwill to enable it to enter new areas in the electronic equipment field.

A price in the region of £750,000 is anticipated.

Write Box H2978, Financial Times, 10 Carmon Street, London EC4P 4BY

PROFITABLE INDUSTRIAL AND LEISURE CLOTHING MANUFACTURING BUSINESS FOR SALE Operating from two UK sites with 150 operatives. The main customer profile is Government and Utility users with long term contracts. The annual turnover is \$2 million with a current order book of \$700,000. Offers below \$500,000

will not be considered. For further details please write to: M.I.G. Inter-rhered Accountant, (Ref PWR 150), 110 Bredford Street, Birteingham B12 0HS

### ROLLER SHUTTER **MANUFACTURER**

Based in East London. Easy access to M25 T/O £300K p.a. with capability for expansion. For sale as going concern. Principals only reply to Box H2987, Financial Times, 10 Cannon Street, London EC4P 4BY

BUSY GARAGE, PETROL AND MOT STATION CAR SALES AND REPAIRS WITH

NISSAN FRANCHISE NISSAN FRANCHISE

This expanding business is being sold owing to a undden death of the major shareholder/directors. Freshold site with 4 bedrooms, beautiful bungslow situated on the main road in expanding North Essex village.

Interested principals only contact: Subhath Thakrar, Partner Blackstone Franks & Ca, Chartered Accompants
388-396 Oxford Street, London, WIN 9HE, Tel: 491-4924

OPPORTUNITY FOR AN EXCELLENT RETURN

ON INVESTMENT. WEST GERMAN ENGINEERING FIRM FOR SALE The company in question is apocialized in drive and control systems, well established, above-average potential for expansion, protected trademark, solid, annuel turnover of about 6 million West German marks, profit before corporation tax of about 1 million marks, managing director's salary 250,000 marks.

## Address requests for further information to Box H2963, Financial Times, 10 Carmon Street, London EC4P 48Y **与 huntley & partners**

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### **DIVERCO Sell Companies**

### **SELLERS and BUYERS**

Contact in confidence: DIVERCO LTD. 4 Bank Street, Worcester WR1 2EW. Tel: 0905 22303

**BLOUSE FACTORY** 

FOR SALE

Efficient 20,000 sq. ft. modern Free-bold Factory fully equipped, 130 workers, excellent management.

The factory makes for large multiple retailers and is available with or without the benefit of the current order book for autumn 1988.

Principals only apply: The Chairman, Box 142999, nancial Times, 10 Cannon Street, London, EC4P 4BY.

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PLC Non-Core Activity Assets available for sale concerni-manufacture of established preion measurement product.
Turnover level currently
£250,000pa, good margina, high
export content. Principals only
apply

Box No H2986, Financial Times, 10 Cannon Street,

FOR SALE LIGHT MECHANICAL AND ENGINEERING

BUSINESS

Press Work Etc & Assembly, Anticipated turnover 1988 £0.5-£0.6. Recovery situation Leasehold premises in Surrey Relocation possible.

Write Bex H2974, Pleanciel Thars, 10 Casson Street, London EC4P 4BY

### Office Equipment

### QUANTITY OF NEW AND NEARLY NEW REDUNDANT OFFICE FURNITURE

Light Oak Desks/Screens/Light Oak Table/ Clerical Chairs/Executive Desks/Filing Cabinets/Sapele Desks Telephone: 01-549 9339

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Castral London.

Pleaning Difficulties

For Sale, Offers in region of £150,000. Alternatively, stight consider joint venture with established developer.

Pitant reply to: Box H2980, macial Times,16 Cannon Str Leadon, EC4P 48Y

### LONG LEASEHOLD INVESTMENT **PROPERTY**

1400 Sq.Ft. Docklands Flat Prime Wapping Location Let to public company convenant at annual rental of £17,500. Offers to excess of £165,000 For details, reply to Box H2983 Flammind Thurs, 10 Cannon Street London, ECAP-48Y

KNITWEAR MANUFACTURER FOR SALE SOUTHERN SCOTLAND

Well established in modern factory and good machinery hase, T/O circa £500,000 p.a. Write Box H2996, ini Tintes, 16 Camon Street, Lendon, EC4P 45Y

**Busy West Sussex Town** Lucrative period style furniture business - ratail - occupying spacious Georgian galleries - city centre. Accounts available for inspection - long lease - for sale with fixtures. Fittings. Goodwill etc., £130,000 S.A.V.

Full particulars apply to Box H2975, Financial Times, 10 Cannon Street, London EC4P 4BY Profitable Texas Supplier Of Framed Art To Major

**USA Hotels** Details: Concertina Group PO Box 13558, Austin, TX 78711 USA TLX 776 480, FAX (512) 499 0010

### TRAVEL AGENTS

Well established North of England Multiple for sale. ABTA/IATA T/O exceeds £6m Principals only please. Box H2985, Financial Times, 10 Campos Street, London, EC4P 4BY.

PLC wishes to divest of subsidiary LC wishes to arrest as a with with with ELECTRONIC SECURITY PRODUCT (in fall production) in order to a maintenant activities

Write Ber H2982

Plantical Times, 10 Courses Str. London, SC4P 4BY Polythene Manufacturing Company For Sale Well established, profitable business, with turnover of £1,200,00 PA. Situated in South London Metablished

PA. Situated in South London Pre-repolitan area.

Principals only: Write Box H296S,
Financial Times, 10 Cannon Street,
London EC4P 4BY AME YOU A MANUFACTURING COMPANY with marketing ability, looking for your own products? Then call Micholas Bortman at Inventors Link Ltd for Information on our trention Register.0288 84141 connections Peterborough area. Goodwill and equipment £60,000.

Our client, an overseas buyer, urgently requires

Have a turnover between £1-10 million, Have their own product range,

Negotiations will be completed without delay.

Replies in writing, should include all relevant information and in the first instance should be

I. Jennings Esq. Messrs. Milne Booth 6, Park Square, LEEDS. LS1 2LX.

All replies will treated with utmost confidentiality.

### PUBLIC COMPANY URGENTLY SEEKS

(i) pro-tax profits between £200,000 and £500,000 p.a.;
(ii) continuance of existing management preferred but not essential;
(iii) manufacture, assembly or distribution of medium-tech products;
(iv) suitability for export preferred but not essential.

Payment and other terms can be tailor-made to Vendor's requires Picase reply in strictest confidence to:

The Chairman

### **MANUFACTURING INDUSTRY**

Our clients, based in the West Midlands, have successfully rescued a manufacturing business which is now being profitably expanded. They are looking for acquisitions or for Companies requiring capital injection where their proven expertise can be used to restore business health. Location should be West Midlands/North West.

Apply to: Myriehul Trust Limited, Cheshire House, 16-20 Booth Street, MANCHESTER, M2 4AN For the attention of Mr. P.E. Webb

# SEASIDE HOTELS

Total 124 Bedrooms. Let to operating companies on FRI leases. Current annual rent roll of £83,000. For Sale. Offers in region of £600,000

Reply in confidence to Box H2989, Financial Times, 10 Cannon Street, London EC4P 4BY

### SPAIN

We have been commissioned to dispot of a very successful DISCO/PUB situated in Benahmadenn Costa, Malay Custom designed 2 years ago and enjoying local and tourists support. Turnover £125000. Interested psychological contact.

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1, Mildown Rd,
Goring-on-Thamea.

RG8 OBA
pter: Mulatu, Spain, S. Africa

### COMPANY

FOR SALE Allied to Furniture Trade 1988 Pretax profits circa £250k Offers in excess of £1.5m

invited Write to Box H2968, Financial Times, 10 Cannon Street, London EC4P 4BY

### FOR SALE

Processors and packers of edible oils and allied products. Modern, fully equipped and operational plant together with favourable lease in development grant area. Premium braod names, trade marks and extensive customer list available. Write Box H2969, Financial

Times, 10 Cannon Street, London EC4P 4BY

**Printed Circuit** 

Manufacturing Company For Sale £750,000 annual turnover. West of London. Donmar, 51 Meidreth Road, Shepreth, Royston, Herts. Tel (0763) 61372

### WONDERFUL **OPPORTUNITY**

To purchase a Top West End Art Gallery, Financially very successful, Long lease, Princi-pals only need apply to: Box H2971, Financial Times, 10 Cannon Street, London EC4P 4BY

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> ZOSTA BLANCA MAGAZINE Um nity to purchase a well established LIK com-pany specializing in the sale of properties or the Costs Blence through its own magazine. Tremendous potential for expension. For fur-ther information Tot. 07-231 (931.

### **Businesses Wanted**

### **COMPANIES WANTED**

companies which:-

Are well established.

addressed to:-Chartered Accountants

### **U.K.ACQUISITION**

Established Public Company seeks the acquisition of a U.K. business committing all or most of the following characteristics:

2 Pont Street London SW1X 9EL

### CAPITAL AND MANAGEMENT AVAILABLE

Voyage charterer can set off

claim against freight

### **Businesses Wanted**

### WANTED HEALTH CARE COMPANY/ PRODUCT RANGE

Leading OTC Pharmaceutical and Toiletries Manufacturer is seeking an Acquisition in the Health

We are interested in Companies or Product Ranges with Established Sales Volumes in the Healthcare Sector. Brand Names Products would be preferred.

Please write in the first instance to: Box H2976, Financial Times, 10 Cannon Street. London EC4P 4BY

### REMOVALS/STORAGE/ DISTRIBUTION

- A London-based storage company is currently seeking to acquire businesses in either of the
- following sectors
  \* REMOVALS & STORAGE \* STORAGE & DISTRIBUTION Must be profitable

Please write in confidence to Box H2918, Financial Times, 10 Cannon Street, London, EC4P 4BY

# Retail Group Required

Fashion or footwear favoured. The Managing Director of nationally famous retail plc seeks to invest substantial resources in an established group. Write in strictest confidence to the Managing Director, Camion Holdings Ltd, 25 Park Road, London NWI 6XN

### **Burlington Investments Ltd.**

(Lecenced Dealer in Securities and specialists in merger broking) has been retained by a quoted P.L.C. who wish to acquire agencies/ distribution companies involved in active or passive electronic components distribution, including surface mounted devices. Principals only should apply to: -

I.F. Jamieson C.A., M.C.T. Managing Director
25/28 Old Burlington Street, London WIX ILB Tel: 01-439 8411 Fax: 01-439 1879

### TRANSPORT COMPANIES WANTED

We act for a major PLC which wishes to expand its UK transport operations. Strong companies involved in national or regional distribution and warehousing would be preferred, particularly in Yorkshire and the North East. Contract hire and tanker operations also of interest.

Please reply, in strictest confidence, to Robert Yorke Yorke Business Development Consultants, Silver Birches, Beshurst Hill, Itchingfield, Horsham, West Sussex RH13 7NY Tel: 0403-790500

### **PIGMENT DISPERSIONS**

A Pic with an impressive record of profitable growth and with widespread sale of pigment dispersions.

Continuity of employment for existing owners and employees will be encouraged with opportunities for further development within the group.

Comparies or intermediaries are requested to contact Marc Crameia at Kleinwort Berson Limited, 20 Fenchurch Street, London, ECSP 306, Telephone 01-623 8000

### GARDEN PRODUCTS

We are an expanding manufacturer of products for sale in garden centres and we are seeking to buy an additional business, or product line, with similar sales outlets.

Please reply to Box H2912, Financial Times, 10 Cannon Street, London, EC4P 4BY

### A PRIVATE GROUP

With substantial cash resources is looking to acquire companies

AND SOFTWARE HOUSE

CONSULTANCY

Well established computer consultancy seeks discussions with small specialist consultancies and developers (10-25 peo-ple) with view to acquisition, investment or joint agreements. Replies in strict confider Write Sex F2961, Financial Times, 10 Canasa Street, Landon, EC4P 48Y

Timber and or Builders

Required (11/2 - 2 acres) London

area. Outright purchase or control-ling interest considered.

Please reply: Box H2966, Financial Times, 10 Carmon Street, London EC4P 48Y

**Two Company Directors** specialists in the food trade are looking to acquire established businesses in the manufacturing, resulting or wholesaling of food or food related products. Partial equity purchase considered.

Write Baz 172938, kal Timez, 10 Casson Landon, ECAP 481

Clubs

Company interested in acquiring Sports Wear Manufacturing Company with an annual production turnover

of approx. £3-4m. color on the play and value for money, supper from 10-3.30 am. Disco and top nuclcians, glamorous hostesses, exciting Please write to Box H1979, anciel Times, 10 Cannon Str London ECAP 4BY

I.G INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SWIW OBD Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO

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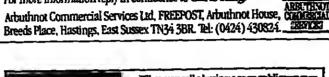
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Legal Notices

**ESSELTE BUSINESS SYSTEMS** HOLDINGS LIMITED

Notice is hereby given their.

(a) At an Extracriticery General Meeting of the above-named Company held a 4 Suck-togatal Bales, London Stiff on 11th Jennary 1958 at 11. a.m. a Speciel Resolution was duly passed their a payment of 215,000,000 out of the Company's capital (as defined in sections 170, 171 and 172 of the Companies Act 1955 is respect of the purchase by the Company from Essetta Business. Systems Inc. of 150,000,000 Ordinary Sharks of 10p sectunder section 182 of the Companies Act 1958 be authorised; (b) The senson of the permissible capital payment as defined by sections 170,171 and 172 of the Companies Act 1955 two \$215,000,000; (c) the Statistics Desiraction and Auditor's

\$15,000,000 the Statutory Declaration and Auditor's Heport required by sections 173 and 174 of the Companies Act 1985 both of which are dated the January 1988 are available for inspection at the Registered office of the Company at 4 Buckingham Gets, London 5W1:

(d) Any Creditor of the Company may apply to the High Court under sections 178 and 177 of the Companies Act 1985 whith the period of the weeks immediately following 11th January 1988 for an order prohibiting the company

ا الرابية المرابع المرابعة ال

STATUTORY DEMAND (Debt for Liquidated Sum Payable fistely following a Judge or Order of the Court

TAKE NOTICE that a Sanatory Demand has been issued by BANK OF CREDIT AND COM-MERICE INTERNATIONAL SA (\*BCC) whose principal place of business in England is at 100 Landenhall Street, London ECSA SAD.

The Creditor demands payment of US\$1,808,941,28 and JPY46,411,280.13 the amounts due as at 12th December 1967 on a Judgment and Order of the High Court of Justice, Queen's Berch Division both deed the 28th day of July 1987.

The Statutory Demand is an important document and it is deemed to have been served on you on the date of the first appearance of this subvertisement. You must deal with this Demand within 21 days of service upon you fould be made bankrupt and your property and goods taken away from you. It you are in any doubt as to your position, you should seek advice immediately from a Solicitor or your necreat Others Advice Sureau.

Stephenson Herwood of One, St. Paul's Churchyard, London SCAM SSH Solicitors for the Creditor, telephone sumber 01-829 4422 (Ref: 367/199).

You have only 21 days from the date of the first appearance of the advertisement before the Carollor may present a Bestruptoy Peditor.

Court of Appeal Lord Justice Fox, Lord Justice Croom-Johnson and Lord Justice Mustill): December 21 1987 A SHIPOWNER can claim freight under a voyage charter despite his own wrongful repudiation of freight. the contract before the ship reaches destination, if the charter so provides.

the repudiation, and if the freight is thereby extin-guished a claim for assigned freight will fail. The Court of Appeal so held when allowing an appeal by charterers, European Grain and Shipping Ltd, from Mr Justice Hobhouse's decision that they were not entitled to set off a damages claim against Colonial Bank's claim for freight assigned to it by owners of the Domini-

But the charterer can set off his damages claim for

COLONIAL BANK V

EUROPEAN GRAIN AND SHIPPING LTD

LORD JUSTICE MUSTILL said that in April 1982 shipowners assigned to the bank all the earnings of their vessel. Dominique. In June they chartered her to the charterers for a voyage from India to Europe.

The charterparty was in the Gencon form. Clause 16 provided that freight should be pre-paid within five days of signing and surrender of final bills of lading, "full freight deemed to be earned on signing".

On July 14 the vessel sailed, bills of lading having been signed. On July 19 she arrived at Columbo and was arrested by creditors. The shipowners were insolvent and could not procure her On July 22 the charterers

brought the charter to an end on the ground of wrongful repudiation. Their right to do so was not challenged. Arbitrators found that the charterparty came to an end on that date.

The arbitrators also found that by July 26 all the bills of lading had been surrendered to the shippers. They did not find whether the five day period stipulated

by clause 16 was still running when the contract

came to an end. The charterers made unsuccessful efforts to arrange continuation of the voyage, but had to give up and procure the on-shipment of the cargo by smother vessel. They acted reasonably in doing so. The costs they incurred exceeded the amount of

If the dispute had not been concerned with the specialised field of voyage charter the case would have seemed straightforward. Even assuming that the owners' right to freight sur-vived termination of the contract, it could not in equity be enforced in the face of the charterers' over-topping right to recover damages for repudiation — a right so closely linked to the closely for facility that the charterers of freight that enforcement of one could not be considered in isolation. The bank would be in no better position than the owners from whom its rights derived, and its claim

would fail. However, the relationship between claims for freight and cross-claims for breach of charter was governed by rules very different from those which applied to ordinary contracts for the per-

formance of services. In ascertaining the rights of the two innocent parties, the arbitrators decided in favour of the charterers, and Mr Justice Hobbouse in favour of the bank. The charterers appealed. The first issue was

whether, had the freight not been assigned, the shi-

powners would have had a right (apart from any cross-claim) to recover freight, notwithstanding their wrongful repudiation. Clause 15 of the charter ["...full freight to be earned

on signing bills of lading..."], clearly conveyed an intention to give the owners an indefeasible right to freight from the moment the bills of lading were signed - a right which was not to be destroyed whatever happened thereafter, though it would not be converted into an enforceable

claim for money until five days had elapsed from sur-

render of the bills. If that were correct, the clause itself supplied the enswer on the first issue. The owners and their assignees had an entitle-ment to freight which survived repudiation of the contract, and which became enforceable within five days of July 26, the latest at which the bills of lading

were surrendered. The second issue was whether the charterers' cross-claim for damages for repudiation enabled them to resist the owners' prima facie right to collect the

Historically freight in the strict sense was regarded as payment in exchange for carrying goods to destina-tion. The question whether damages for wrongful repu-distion could be set up in diminution of freight could never have arisen, since if the contract terminated pre-maturely the goods would not have reached destina-

The condition precedent to the shipowners' right would therefore not have been performed and freight would never have fallen due. Nowhere in the texts was there any discussion of the charterers' right to an abatement of freight in the event of premature termina-

The bank argued, and Mr Justice Hobbouse held, that the answer to the second issue was provided by The Aries [1977] I Lloyd's Rep 324

In that case a vesse was chartered to load carge and deliver it. There was shortage on delivery which the charterers deducted when they paid the freight. They did not institute proceed-ings, but waited until an action was brought against them for the freight. Then they raised their complaint by way of set-off and con-terclaim.

Judgment was given n favour of the shipowners The reason the argument for set-off failed was that there could be no equity to override the common law rule prohibiting shatement or damage to cargo, and nobody hadever previously suggested that there was

The Aries was not fatal to the charterds' ergument that damages for repudis-tion formed an effective

ground of set-df. ground of set-di.

The reasoning in The Aries was all it the context of claims for abort or damaged delivery, and had no bearing on a case where, through wrongft; repudiation by the shipowners, the adventure terminated short of destination. of destination.

There was nothing in the reported cases which would reported cases which would prevent the court from giving effect to any right of set-off which might otherwise be appropriate simply because the claim was for voyage freight.

As to whither a set-off could properly be allowed, one must turn to the general

The cases encouraged the belief that cours of equity would have agarded the shipowners' claim for freight as having such a close link with the charter-ers' claim for non-performance, that the one could not properly leen enforced without the other being taken into account.

Also, if the burt had to ask itself what it should do to ensure fair lealing (see The Nanfri [1]78] 1 QB 927, 974), the aswer was that it would no have been fair had the contract and fair, had the owners sued, to allow them to ecover the freight without legard to the damage causel by their

own wrongful republistion. The third issue clated to the position of the tank. As the charterers would have had a valid defenceby way of set-off if sued by the owners, the bank's deriva-tive claim must fall. The appeal was allowed.

Lord Justice Fox and Lord Croom-Johnson agreet.

For the charterers: Nartin Moore-Bick QC (Richards Butler) For the bank: Bernard Eder (Holman Fenwick & Wilan)

By Rachel Davies

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# CIVIL AVIATION IN THE PACIFIC BASIN:

THE PATTERN OF THE FUTURE

Singapore, 25 & 26 January, 1988



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# **FINANCIAL TIMES**



The region has diversified and is better able to withstand an economic downtum, though slow growth

could impede investment, says Roderick Oram. The success of a regional plan hinges on co-operation between many authorities, but could offer a model to other American cities.

# Time now for a new accord

THE PHILADELPHIA region, competition between communi-enjoying rapid growth through ties for new investment, the 1980s, has become one of In a sense, something far less

it is to build on those gains, local business and political leaders must learn how to co-

local business and political leaders must learn how to cooperate better on a regional self-doubts, it recent gains are scale.

Any tensions between the city and its neighbouring suburban counties or inefficiencies created by inadequate infrastructure proved but a minor hinderance to growth over the past six years. The local economy, depressed through the 1960s and 70s, was ripe for a strive to the iocal economy, strong rebound.

Fidence. But these could sink back, re-exposing all the old sale, re-exposing all

one of the area's attractions.
Similarly, increased economic activity has heightened the need for a number of major road and other infrastructure projects. Progress will also be tougher, because of the uncertainties that have built up in the US economy since last autumn. Although the region has become more diversified in recent years and better able to

N. 1

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فالمنافية بمتهوب الما

the most dynamic major metropolitan areas in the north-eastera United States.

Now comes the hard part. If perity has markedly improved
it is to build on those gams, the region's self-image and conlocal business and political idence. But these could sink
leaders must been how to conleaders must be the self-image and conleaders must be the self-

past six years. The local economy, depressed through the 1960s and 70s, was ripe for a strong rebound.

But the protracted period of expansion has started to strain resources. The apply of capsusion has started to strain lasted well into the 20th century, for example, has began to tighten, which could lead to higher wages. This could trigger in turn an escalation in the affordable house prices that are one of the area's attractions.

life in the Delaware Valley today.

But gradually, old money became highly conservative, excessively tied up in safe but locally improductive investments such as federal government bonds. The decline of traditional manufacturing strengths was hastened by international competition. The final damage was done when the area was clobbered by back-to-back recessions in the recent years and better able to early 1980s', says Mr Mickey weather a national downturn, Levy, chief economist of Phila-slower growth could intensify delphia's Fidelity Bank.



Now, manufacturing employment accounts for only 20 per cent of local jobs, close to the national average, compared with 40 per cent in 1970. Confidence was severely dented.

"There can be a tremendons lack of vision about what this city can be — a failure to plan for success — but that's changing," says Mr Bill Ronse, a leading local real estate developer, who has pushed hard, with measurable success, to get the city to believe more in itself.

Not only is the vigour evident at a civic level. Swelling ranks

at a civic level. Swelling ranks however. Manufacturing year of young entrepreneurs are employment fell 1.6 per cent in On being assisted by greatly the year to last October, despite count

found. Fifteen years ago, cent. death rites were being read in many meetings on the economic can health of the Philadelphia argumarket forces induce accommodation," they added. As old and

of young entrepreneurs are employment ten 1.0 per cem in being assisted by greatly the year to last October, despite the continuing progress of high facilities. The area has developed recently, for example, a manufacturing jobs rose 2.6 per healthy venture capital pool, the service sector expanding 4.1 per cent and finance, insurance and real estate growing 2.7 per found.

The overall rate of job growth can no longer be maintained, argues Mr Joel Naroff, Fidelihealth of the Philadelphia argues Mr Joel Naroff, Fideliarea," wrote Anita Summers ty's regional economist. The and Thomas Luce, of the Unilabour pool is now shallower so versity of Pennsylvania's that, even with population Wharton Business School, in a increases, "less than I per cent comprehensive study of the regional economy, But the diagnay be a more reasonable noses failed "to take into growth path. This is the cleaccount the extent to which arest indicator of a labour market forces induce accommo, "hortage."

shortage."
Some other economists are

less concerned. Mr Luce argues. for example, that the region will attract a bigger migration of new workers than generally expected. Even so, he and many other analysts and leaders agree with Mr Naroff's central conclusion: "How business and leaves and leave government react to the determine the future economic

Encouraging and depressing signs of regional attitudes to tackling this and broader local issnes have marked the past On the optimistic side, the

counties banded together to run a textbook effort to attract a major new investor. Together, they sold Eastman Kodak, the photographic group, on a home for its fledgling pharmaceutical business which it intends to develop into a \$1bn a year business. When the city of Philadelphia saw that its chances of beating ont Baltimore were waning, it threw its support ehind another local contender, Malvern, a small dormitory community ontside the city. One of Bsltimore's prime attractions was its simpler form of local government, but the

ager of the Southeastern Penn-sylvania Transportation system, particularly in the sub-Authority, resigned after only urban counties, would belp ease five weeks in the job. He was the tightness of the job market.

says Mr John Claypool, executive director of Greater Philadelphia First, s business-gov-

maintain, let alone develop, the ture projects.

nation's fourth largest mass
transit system. He warned that "each project has to have a the system's trains and buses fairly significant impact on the were in poor, and in some cases

ble. They had him marked as a formulating the proposals, boy scout tackling a marine's job in the tough world of Phila-Philadelphia area mustered its forces for a last ditch and ultimately successful campaign.

A far less edifying event took

place at the turn of the year. "in Septa's governance. Mr William Stead, general man- This is crucial to the region,

driven out by the frustration of the labour pool is suffering iticised board, which is deeply divided between representatives from Democratic Philadelphia city and its neighbouring Republican counties.

"Septa is the central poison" the ightness of the job market. Mr Luce and others argue that the labour pool is suffering more from a mismatch of geognitive from Democratic Philadelphia city and its neighbouring would get the right people to the right jobs.

"Septa is the central poison" on the positive side of the polar co-overs.

in local relations, full of "bla-tant politics and power plays," tion, a comprehensive regional plan is about to be delivered to the Pennsylvania State Govern-ment. Under development since ernment regions economic late 1986 by a group of politi-development body. cians, business and civic lead-Mr Stead charged that the ers from five counties, it identibattles, which had been raging fies a large number of regional long before he arrived, had sty-mied all efforts properly to sewage and other infrastruc-

economic activity of the region dangerous, condition. with benefits across more than
Some Philadelphians had one county," says Mr Claypool,
thought his departure inevitawho was deeply involved in Tellingly, though, the plan was to be called Greater Phila-

CONTENTS

the local sector
The Stock Exchange: America's oldest is looking for a new

Real estate: How they went over William Penn's head Local politics: stemming the drift to the suburbs

Foreign investors: new manufacturers are needed High technology: venture capitalism is the spur Manufecturing: new highways will let people reach the jobs

Culture & tourism: the value of small-town intimacy □ Pictures of Philadelphia by Terry Kirk

Off to Philadelphia? A guide for

the first two words, because they said they were not part of Greater Philadelphia.

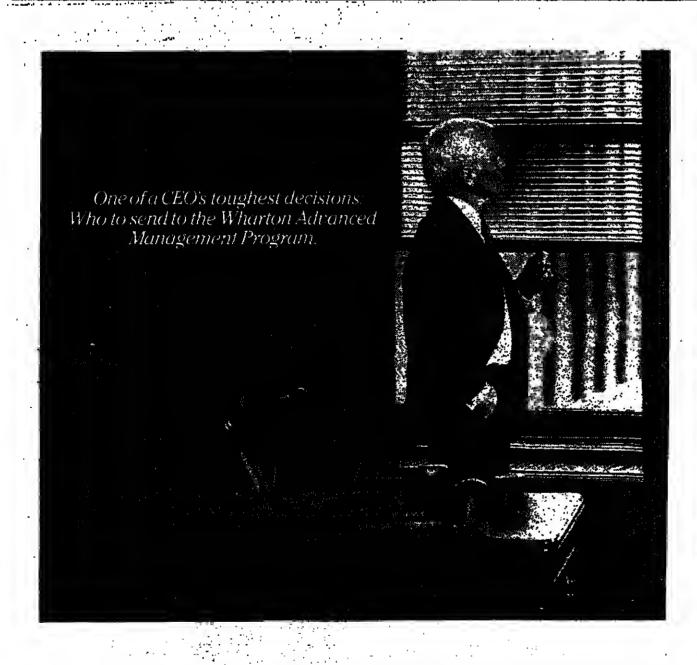
None of these regional initia-tives is binding on the partici-pating bodies, so success will hinge on co-operation between county, township, city and other authorities. Although ther authorities. Although there is a regional planning council, a large part of the effort to encourage develop-ment comes from a mosaic of

joint private-public sector bod-"The change in the last six years is remarkable, from 'fight your neighbour' to regional cooperation," ssys Mr Walter D'Alessio, chairman of the Greater Philadelphia Economic Devalement Commission and Development Commission and president of Latimer and Buck, a mortgage banker. "Politicians are at least saying they need to co-operate, to band against the common enemy or to seek help from, for example, the state

The sense of hope is shared by other leaders, who believe that, if the Philadelphia region finds the solutions, it could serve as a role model to other US metropolitan centres wrestling with the same urban issues. Such national prominence would work wonders for the region's self-esteem. Whether it achieves that hangs on how well people work

together in the next few years.
Perhaps, when local people
come to look back on this crucial period, they will be able to judge the significance of a big event this past summer; the cel-ebration of the 200th anniversary of the birth of the US con-

Planning for it got off to a chaotic and financially troubled start, but by the time the nation turned its eyes on Philadelphia, the city and its neighbours had, somewhat to their own surprise, got their act together. They enjoyed the party and the limelight enormously. Now they must ensure that it was not just ments but the launch of those



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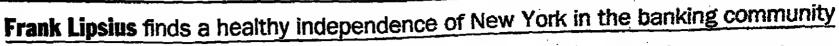
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# Mergers may strengthen local sector

EVERY MAJOR bank in Phila- to the merger as an example of

The only remaining large Philadelphia-based bank holding company is CoreStates, the parent of Philadelphia National Bank, and its two gobbled smaller banks, Hamilton and New Jersey National Bank.

Fidelity Bank does not like the implication that it is no longer a local bank, but it did.

ger a local bank, but it did recently merge with First Fidel-ity Bancorporation of Newark, and corporate headquarters will be situated in New Jersey The only Philadelphia

bank to be taken over

by a New York one is

First Pennsylvania

near Princeton, equidistant from the two components. To Henry P. Glendinning Jr, To Henry P. Glendinning Jr, the chairman of local investment bank Butcher & Singer Inc, the mergers were long overdue. "It used to be that, as soon as a company got big enough, it moved to New York. First the finance department left, and then the whole company. With these bigger regional banks, maybe the companies can stay here."

If so, it will have justified the loosening of banking regulations to allow the regional alliances that are creating a bank of mid-sized healthy banks independent of the dominating influence of New York money

influence of New York money centre banks, many of which are hobbled by Third World loans. The only Philadelphia bank to be taken over by a New York one is First Pennsylvania, in a merger with Marine Mid-land, which is itself owned by the Hongkong & Shanghai Banking Corporation.

The major alliances have been forged with Pittsburgh banks which have tended to become the dominant partner. Pitts-burgh National merged with Provident National. The bank-lng headquarters for the merged PNC Financial Corp is Pittsburgh, but the Philadel-phia bank retains its identity, and Philadelphia is the headquarters for the combined trust department.

Mellon Bank took over the Girard, a venerable Philadel-phian institution which it obliterated in identity and con-tracted painfully in local personnel. Many outsiders point

delphia has been involved in an the wrong way to go about such unprecedented merger frenzy activities, especially after Methat has completely translon had its own reputation formed the local financial comsoiled by recent financial woes.

Members of the local banking community tend to be more charitable. Harold W. Pote, chief executive of Fidelity Bank, noted that Girard had its own problems when Mellon took it over. Its reputation for having mastered electronic consumer banking was unearned, and Mellon had to impose its own systems on what it had hoped would be Girard's contribution to the merger (to go along with Mellon's business banking systems).

CoreStates is sticking to its knitting, as well as to Philadel-phia. Picking as Its niche "non-credit services", according to Philadelphia National Bank chairman and chief executive Frederick Heldring, the com-pany has escaped the folly of Third World loans and picked up other banks as clients for its cheque-clearing and automated teller services.

Like many businessmen, CoreStates proved the wisdom of a conservative lending and operations policy, which had given the holding company 10 given the holding company 10 per cent growth a year and a sophisticated network-handling capacity. The bank has a merchant banking subsidiary in London, and clears cheques for 1,000 foreign banks in a bid to be "an integral part of the world economy and not just a sideshow", as Heldring puts it. The conservatism of Corestates goes along with the philosophical bent of other major Philadelphia financial institutions, like money managers for pension and trust funds. "After all, this is a Quaker town," notes William G. McKenna,

PNB's Frederick Heidring: "net just a sideshow"

president and chief executive according to company litera-of Provident Capital Manage-ture, that has provided com-ment Inc. a wholly owned pound annual rates of return autonomous subsidiary of Pitts-over 10 years of 17.4 per cent burgh-based PNB financial compared with the Standard & corp. "Quakers and conserva-

tism go together." His own company, which has \$500 under management for 50 clients, pioneered the Philadel-phia specialty in "value invest-ing" in stocks with the lowest price-earnings ratios. He can invest in only the 600 compa-nies with the lowest p/e on Wall Street, of which about 150 are held at any one time. They sell the shares as they rise above the category, a strategy.

riself follows a similar but less rigid policy of investing in com-panies with low p/e's compared to the company's or industry's historic performance.

The conservation of Philadel-phia goes back a long time, as evidenced by the venerable insurance companies started there, including the first fire insurance group in 1750 and the Presbyterian Ministers' Fund, the country's first life insurance company (and first chartered company) in 1759. Though no longer tied to the Presbyterian denomination, the Presbyterian denomination, the company still sells insurance primarily to clergymen, and reckons that more than 50 of its 65 sales representatives are former ministers.

Now run by Robert Kloss, a former partner of accountants Touche Ross, the company has had an equal number of clergy

Local conservatism is evidenced by some venerable insurance companies

and non-clergy heading it ove the years. Its socially responsi-ble approach to investing pre-cludes buying tobacco or alcoholic beverages companies, a category of investment that overall did less well than the average before the stock market crash of October 19, but bas done better since.

About a dozen similarly coms mitted investment funds exist
in Philadelphia, according to
McKenna, including W.H. Newbold's Son and Co, Brandywine,
Asset Management of Wilmington, and Cashman Farrell & Associates. Provident Realitem of the Philadelphia investment community overall. It never grew as large as New York's and will not have to contract as much. According to Fidellty Bank economist Joel Naroff, there will not be massive for the provident Realitem of the Philadelphia investment community overall. It never grew as large as New York's and will not be massive for the Philadelphia investment community overall. It never grew as large as New York's and will not have to contract as much. According to Fidellty Bank economist Joel Naroff, when the Philadelphia investment community overall. It never grew as large as New York's and will not have to contract as much. According to Fidellty Bank economist Joel Naroff, when the Philadelphia investment community overall. It never grew as large as New York's and will not have to contract as much. According to Fidellty Bank economist Joel Naroff. and will not have to contract as much. According to Fidelity Bank economist Joel Naroff. "there will not be massive lay offs as there were in New York, just a slow decline in some areas", as the Philadelphia financial community benefits from its distance, mental and generarshic, from New York. geographic, from New York.

Real estate developers believe the city will appeal to many US companies as a regional headquarters

# How they broke the mould and went over Penn's head

skyscraper with a tapering top stands head and shoulders above the surrounding collec-tion of boxy buildings in down-town Philadelphia, a symbol of the city's economic renaissance and new-found sense of opti-

One Liberty Place, completed late last year, has brought variety and interest to the city's skyline. All the other buildings are lower and flat-topped, trusare lower and har-topped, trun-cated by a tacit understanding among developers not to poke above the head of William Penn, the state's founding father whose statue stands on top of City Hall. It was widely felt that the

height convention gave the downtown a more human scale than, say, New York. But Mr Bill Rouse, the leading real estate developer and unflagging promoter of its attractions, who broke the mould, believes that once bnildings get above 10 storeys or so height is irrele-vant in questions of scale.

Instead, the convention was motivated more by financial than aesthetic considerations. "There was no economic reason

There was no economic reason for building more than about 40 storeys high. First, people were unwilling to put together enough land, and second they thought there wasn't the demand for the office space."

He felt otherwise as the city boomed in the mid-1980s and bid fiercely to assemble the large parcel of land on which Liberty Place stands. He also believed that, if he offered an attractive building that soared rather than edged above William Penn, the public would accept it.

lism Pena, the public would accept it.

"Three years ago, opinion was probably too close to evenly split for comfort. Now, probably fewer than 10 per cent are opposed," he says. "I think we have come through relatively unscathed."

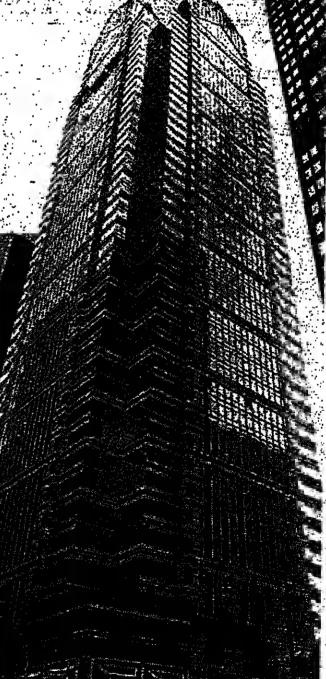
One Liberty Place's 1.2m square feet of office space brought to more than 8m square feet the total of new

square feet the total of new prime office space built down-town so far in the 1980s, according to Mr John Binswan. ger, president of Binswanger Company, a national real estate firm which has grown up in the

city.
In addition, rehabilitated buildings accounted for something around an additional one-third of space. Yet the downtown vacancy rate has remained low, fluctuating in a narrow range of between 8 and 11 per cent of total space over the past four years. By compar-ison, the national rate has risen from about 13 to 17 per cent, according to Coldwell Banker, another national real estate

"The conservative way of life here has kept the city from being over-built," says Mr Rouse. "It has kept supply and demand in better balance."

His competing developers were distinctly nervous, how-ever, when he decided to press on with a companion 58-storey tower as part of a \$600m complex encompassing 125,000 square feet of retail space and a 300-room luxury hotel. Who would fill it and other buildings underway if the local economy underway if the local econor



One Liberty Place is said to bring to more than 8m square feet the total of prime office space built downtown in the 1980s.

Fears were heightened when Fears were heightened when GIGNA, a major insurance company fieadquartered in Philadelphia, said it wanted to consolidate 4,400 employees in 15 downtown buildings into one possibly in the subarbs. The city launched a concerted effort keep the company down

"CIGNA is important to the city in psychological terms," says Mr Rouse, who was among those who proposed downtown alternatives. "It's a diamond you don't want to throw out of the window."

In the end, the insurance com-

pany accepted a cleverly con-structed package. It will take

erty Place, which Mr Rouse will re-christen after it; while the city will take over the bulk of its old space for its own offices. CIGNA expects to save \$100m over the next 15 years in its barriers.

The deal "has improved the Philadelphia scene tremendously as far as absorbtion. That was a very serious ques-tion," says Mr Binswanger.
"Once he was able to complete that transaction, then the absorption factor works in the favour of the developers again how for a while."

how for a while."
Mr. Rouse, more optimistic than some of his competitors, believes that the demand for downtown office space continnes to be explosive. "I think the city could be short of space in the next 18 months, which may accelerate the next generation of buildings."

The area pinning their beauty.

opers are pinning their hopes for strong demand on further growth among local companies, particularly in pharmaceuticals and services such as accounting and legal. One trend downtown is for service companies, such as banks and insurance companies. To move their as banks and insurance compa-nies, to move their executives and managers into new prime office space while relocating their clerical employees into cheaper rehabilitated buildings. Given the city's good labour pool in lower grade skills and its extensive mass transit sys-tem, the downtown has large potential as a home to such back office operations.

rental and employee living costs are below those in New York, they are not likely to

York, they are not likely to attract a company seeking a new home. It if is going to take the trouble to move, it will probably chose a low cost southern city. J.C. Penney, for example, a leading retailer, is moving from New York to an outlying suburb of Dallas.

But developers believe Philadelphia will appeal as a regional headquarters for many US companies and as a national base for some foreign companies. The same also applies to industrial and commercial space which, though cheaper than in some other places on the eastern seaboard and well served by transportation links, cannot compete on price alone with more rural or southern locations.

In an effort to draw in seasons.

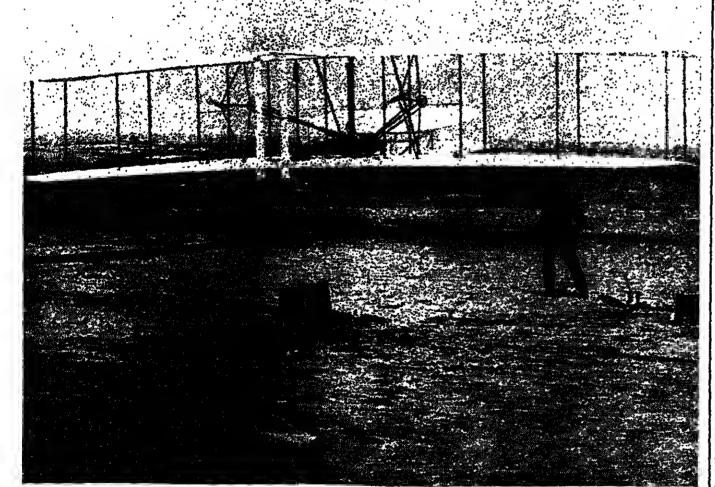
locations.

In an effort to draw in more foreign clients, Binswanger opened a Tokyo office last year, but this will serve all 15 of the company's US office rather than push Philadelphia in particular. It also hopes to attract not only lessors and owners but also investors from Japan, said Mr Frank Binswager, who runs the firm's industrial and commercial divisions.

the firm's industrial and commercial divisions.

Over the coming years, the next downtown areas to boom will probably be those lying to the east and west of the present core. To the west, susbtantial opportunity exists to build above the 30th Street railway station; while the area to the east, particularly along Market Street, should benefit from the construction of the city's convention centre. vention centre.

Roderick Oram



The Stock Exchange

Seeking a new home

Place, to commemorate the oldest stock

still functioning in the world. But the exchange outgrew that location (its

second) more than 15 years ago. Now

The exchange is most famous for its

currency options trading, which is somewhat frustrating to Nicholas Giardano, the former accountant who

is its president. Only a quarter of the

exchange's income is from trading in

eight currencies, the same as from stocks; fully a half is from stock options.

The stocks it trades are of two types:

or other small companies, and about 900

instrument was pioneered in Philadelphia. At the outset, in December 1982, the

exclusives on a conple of bundred local

issues that also trade on the New York Stock Exchange, Still, the association

with currencies is well earned, as the

exchange was trading 30,000 contracts

a day. This is now up to 50,000, which,

speculation.

Mr Giardano assumes, are largely traded as some form of hedging rather than as

it is again looking for a new home. Its 505 members trade the most diverse instruments of any exchange in the US.

exchange in the country, if not the oldest

Exchange seats traded hands most recently for \$95,000, down from a high

the trading floors for each instrument, the exchange (and its 560 employees) provides the service of a depository, one

Mr Giardano said the exchange had found a counter-cyclical trading pattern

in currencles, a welcome discovery after

the October 19 collapse, which caused

considering offering a new instrument,

which he will not name. For currencies,

currencies as securities, a formality that

Mr Giardano hopes to avoid with the next

This will probably be in a new building,

since the exchange will decide this year

about moving. The office floor in its

the growth that is expected.

trading complex, which Goldman Sachs

owns but wants to sell, looks out on trees in an atrium, but it leaves no room for

Frank Lipsius

Congress had to pass a law to define

He admits that the exchange is

a scare but no failures among members.

of \$155,000 ou September 11. Besides

of three in the country that save

brokerages paperwork.

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National, and Hamilton Banks, CoreStates brings added strength to all aspects of com-mercial relationship banking. Whether it's cash management, investment banking. credit, or trust and investment services, we come up with financial solutions even

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Politicians face problems that are gritty and intransigent, says Frank Lipsius

# House the homeless, stem the drift

THE DAY before Christman Mayor W. Wilson Goode held a press conference to announce the funding of what will be an \$11m programme for perma-nent housing among Philadel-phia's estimated 13,000 home-

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phia's estimated 13,000 homeless.

He took justifiable pride in
the effort to help provide a permanent selution to what is a
pervasive problem in America.

While the news was welcomed by supporters who
crowded into the ornate 19th
century City Hall reception
room, housing the homeless
does not garner wide appeal. It
is, however, one of the chronic
difficulties faced by old American cities; and it is one that
Philadelphia is trying with
some success, to solve, if without the credit it deserves.

The city's problems are
gritty intransigent and unglamorous. They include rubbish
disposal, public transport, education, and municipal workers
who could repeat the costly



Misyor Goode: Into his second term



The city's problems are gritty, intransigent and unglamorous. They include rubbish disposal, public bransport, education, and municipal workers who could repeat the costly tupleasunt strike of two years ago when their contracts run out this summer.

Philadelphia's troubles encouraged the exotus to the suburbs, which have enjoyed spectacular growth in the past. there decades. Federal road building made the escape from entremend urban woes easy. The suburbs flight book the city of its most vital denizens.

Philadelphia has fought back its latest success has been to persuade the area's third largest employer, Sichi's latest success has been to persuade the displacement of the city and offices that seemed to rob the city of its most vital denizens.

Philadelphia has fought back its latest success has been to persuade the area's third largest employer, Sichi's latest success has been to persuade the displacement of the swinces of the city rather than move to the suburbs. Admittedly a package of incentives was used, which probably means that the city was paying more to rent.

Ambies

Ambies

Ambies

Missor Goods, will pay to rest the class. Mayor Goode, who was it inaugurated for his second that the city as countries to make the company in town.

Instantiation the city and second the company in the company in the constant of the city and the company in the constant of the city and the company and the company in the company and the company in the city and the company in the constant of the city and the company and the company in the city and the company in the constant of the city and the company in the city and the company and the company in the city and the company in the city and the city a

of a one-off tax amnesty that raised \$25m.

The largest single source of revenue in the city is the controversial and resented wage tax. At 4.3 per cent for non-residents and 4.96 per cents for residents, it is the highest such tax in the country and, according to a Wharton School study of the region's economy, has cost the city at least 100,000 jobs.

Pennsylvania's highest court

Pennsylvania's highest court recently ruled that the state should pay for the court sys-tem, bringing the city a poten-tial \$90-100m windfall, which lower the wage tax. In an interview at City Hell, the mayor also proposed state-wide tax reform, to increase sales tax by

Foreign investors

Philadelphia

ere River

# Manufacturers sought who will create jobs

ON DECEMBER 5, Air France started a direct service between ning Jr, the chairman of philadelphia and Paris, a route butcher & Singer Inc, Philadelphia for a warehouse on phila shaquoned in 1973.

"Our market surveys showed an influx of tourist and leisure travel," said John A. Vitale, Air France's district manager in Philadelphia. "In addition, there has been an increase in French-US commercial ties, including corporate headquarters and other companies operating in the area are Saint-Gobain, which owns Certain-Gobain, which owns Certain-Gobain, which owns Certain-Gobain, which owns certain teed, an insulating company; Carrefour, the hypermarket specialist, which is starting its American expansion in the city; and Compagnie Generale des Eaux, which owns two Philadelphia companies. According to a survey of international businesses in the region, conducted by Arthur Young, France ranks fourth behind, in order, the UK, Germany and Japan.

James De Long, bead of the

came to the city precisely the Swedish furniture company because they preferred to avoid that started an extremely suctive competitive pressures of cassful American operation in

deiphia companies. According to a survey of international businesses in the region, conducted by Arthur Young, France ranks fourth behind, in order, the UK, Germany and Japan.

James De Long, head of the Philadelphia Airport, finds Air France's move "encouraging", while recognising that 'international businessmen need daily service".

Air France will have three flights a week by the peak period in summer, and hope eventually to have seven.

Raving come from Houston—where British Caledonian inspired Continental to start and both did well—Mr De Long and both did well—Mr De Long in the competitive route to Britain and both did well—Mr De Long in the companies that: "As international traffic increases in Philadelphia, airines will get more compositive route to Britain and both did well—Mr De Long in the current Ism passengers a year.

Mr De Long is among those who ware impatient to see the country's fourth largest city.

Mr De Long is among those who are impatient to see the country's fourth largest city. The continuing to its own renovation between the magnets of Washington and New York.

But some (oreign investors came to the city precisely because they preferred to avoid the competitive pressures of the competitive

Frank Lipsius

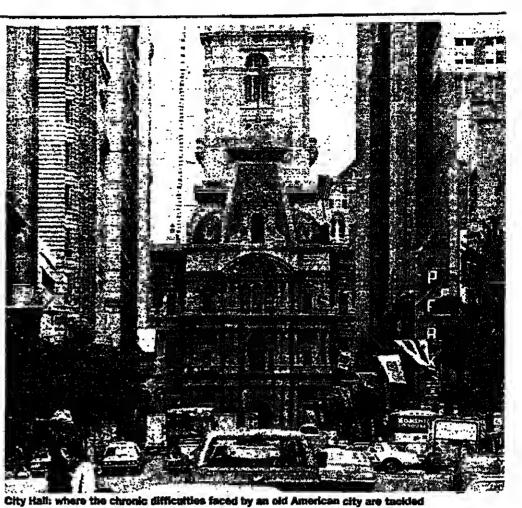
with the Reagan years, which have cost Philadelphia \$45m in federal programmes.

federal programmes.

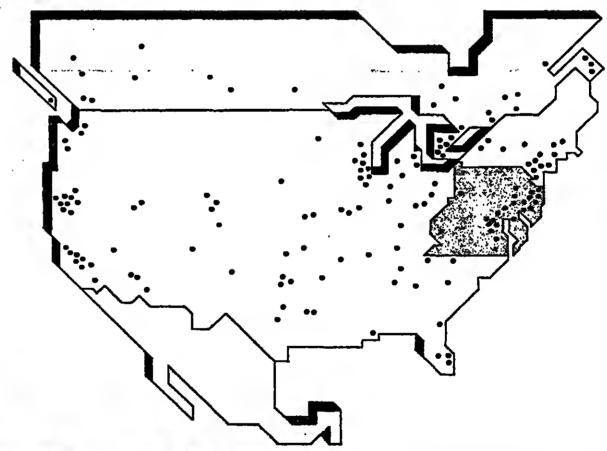
The city's greatest asset in Washington is Congressman William Gray III, chairman of the crucial House Budget Committee, who still preaches in his North Philadelphia church. He has helped the city to avoid accounting penalities in Washington, while getting the area included in various federal subsidy programmes.

sidy programmes.

Despite a Democratic majority, the city council is a noisy, Despite a Democratic majority, the city council is a noisy, combative and sometime embarrassing agglomeration of neighbourhood partisans. Philadeiphia remains a city of neighbourhoods, whose preservation is a high local priority—though the city's most famous recent event, the bombing and devastating fire at the head-quarters of Move, a black cult group, in May 1985, is remembered for the destruction, not is metalicated in the state to the advantage of a the city, offsetting the interached coalition of rural as and suburban Republicans. A Democratic President would gaiso benefit the city, compared



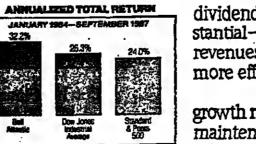
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### Entrepreneurs are broadening the high-tech base

# Venture funds raise economic optimism

A YOUNG entrepreneur's pitch for financial support to a recent meeting at the Union League, bastion of Philadelphia's business establishment, revealed a number of essential aspects of the new dynamism of the local essential aspects of the new dynamism of the local essential e

He was, by his own count, the third employee of Commodore. International, the manufacturer of home computers to an international transfer to a start-up companies. But it also of home computers, to set out on his own, indicating that the success of some of the region's large high technology companies was helping to stimulate entrepreneurial zeal.

His presentation was directed at an audience of some 120 members of the Delaware Valley Venture Group, which brings together the area's ven-

ture capitalists.
The association's rapid growth reflects the speedy development in the past few years of a local financial and ervice infrastructure, which is helping to nurture new entre-

"We're starting to see spin-offs from established high-tech companies," said Dr Ian Mac-Milian, Director of the Sol C. Milian, Director of the Soi C.
Snider Entreprenurial Centre,
at the University of Pennsylvania's Wharton Businesa
School. He sees this as evidence of a growing willingness among local businessmen to try to develop their own companies. Their previous experience in other succeasful companies assists the process, because role modeiling is important to

The trend should help the Philadelphia area to broaden its high technology base. Although the sector has become one of the strongest in the local economy over the last 20 years, generating jobs while more traditional industrial sectors have contracted, it is dominated by only a few large companies in a

handful of industries. The present base benefits from the presence of relatively stable high technology industries such as pharmaceuticals. Thus the region is unlikely to suffer the fate of, say, Silicon suffer the fate of, say, Silicon tree which has the benefit of Valley, California, which is heavily dependent on the fortunes of the highly cyclical semi-conductor business. Philadelphia business leaders, keen to encourage diversification as a way of strengthening the local economy, have been taking steps to ensure the infrastructure is in place.

This is a good place to look for deals and ideas. They are cheaper here than, for example, on the West Coast," said Dr. Bernard Tenenbaum, associate director of the Snider Entreprenurial Centre.

start-up companies. But it also showed up a dearth of venture capital essential to growing new companies. Armed with some corporate commitments to contribute

commitments to contribute money to a venture capital fund, business leaders set out to find a fund manager. They chose Mr Walter Alkman, who had spent the previous 15 years running the Boston venture capital operations of Palne Webber, the Wali Street investment bank. "I know of no other set-up like this where the city came together to get the fund came together to get the fund off the ground," he said. Mr Aikman started his first

Mr Alkman started his first Philadelphia fund, Century IV Partners, in 1983 with \$30m from local companies and insti-tutions. It has invested only tutions. It has Invested only one-third of its money in local companies, however, reflecting Mr Aikman's belief in spreading a wide net to ensure a satisfactory financial return.

He began a second fund in 1986 with \$20m from pension plans of State of Pennsylvania employees, and a third one last October with \$15m from Japan's jargest venture capital

Japan's largest venture capital company. He hopes to raise a fourth fund this year from local corporate sources.

Mr Aikman is also looking for

money from European investors, believing that venture capital is becoming increasingly international. As young companies are obliged to look abroad at an earlier stage in their development, they could benefit from the help of foreign investors in these countries.

tors in those countries.

A number of other venture capitalists have been attracted capitalists have been attracted subsequently to the area by the idea that it is developing into a high-tech, entrepreneurial cen-tre which has the benefit of

this attraction was APA/Fostin Capital Fund. The largest fund in the area, with some \$40m, it is a joint venture between Alan Patricof Associates, of New York, and Fostin Capital, of

All told, six new funds, total-ling more than \$110m, have started in the area over the last year or so, representing a 25 per cent expansion in the ven-ture capital pool. Even with this growth, Philadelphia ranks this growth, Philadelphia ranks
behind some second-tier venture capital cities, such as Chicago. But the influx of funds
has, nonetheless, encouraged
the atart up of local companies.

SmithKline Beckman is an
example of the way established companies are trying to stimulate start-ups. One of the largest pharmaceutical companies in the country, it has set aside \$50m in its own venture capital fund called SR One, while also contributing to joint efforts such as Century IV. "We want to support new

companies with mutual interests and goals," said Mr Henry Wendt, Smithkline's chairman. "Few are able to commercialise on a worldwide basis, and we can also help them technically." Help is also at hand from the state government, in the form of the Ben Franklin Partner-ship, named after one of the

country's founding fathers. Begun in 1982, the partner-ship, is considered by some to be one of the best economic development programmes in the country. It provides money to heip bring together universities, industry and local job develop-ment agencies in Philadelphia and three other areas of the state designated as advance technology areas.

technology areas. Start-up companies are also benefiting from "incubators" such as the University City Sci-ence Centre in Philadelphia. These are providing not only affordable accommodation for fledgling companies but also access to research and development facilities.

Taken together, the range of corporate and government initiatives offer cause for optimism that the regional economy will be able to reap some of the fruits of the entrepreneurship and research and development in the high technology sector.

The campos of Pennsylvania University: highly-rated universities



points is the early stages of a that have developed skills for labour shortage, which has arisen partly because of a mismatch of both skills and location between the people who are unemployed and the jobs that are being offered. that are being offered.

that are being offered.

If these potential constraints are dealt with, then the growth seen through the 1980s is likely to continue. The area has together some 30 companies in already cemented its position as a leading high technology centre, perhaps the fifth largest in the coontry. The broadly-based this however so the what government business.

Mr Rapoport has helped to establish the Delaware Valley Defence Council, which gathers together some 30 companies in the sector. One of its primary purposes is to help companies to share their expertise on how to deal with the Government. It also "educates congressmen on what government contracts masked this, however, so the what government contracts region has yet to acquire the cachet or prestige of such east coast high-tech rivals as Bos-

ton.

The reputation would be justified, though, by the Philadelphia area's concentration of high-tech jobs; these account for 2.6 per cent of the nation's total, whereas its total work-

The recent end to a decade-long legal battle has allowed construction to resume on a major highway development, Interstate 476, which will greatly assist road transport in the western area. Many high-tech companies are already there, particularly in a corridor along Route 202, which runs west then south from the Penn-sylvania Turnpike through the orthern and western suburbs

gressional delegation in Wash-ington. Defence spending is the lifeblood of a number of major local employers, such as Boeing Helicopter and Penn Shipbuilding, oelghbours on the Dela-ware River downstream from

total, whereas its total workforce is only 2 per cent of the
country's. While the region iost
some 60,000 manufacturing
jobs during a painful retrenchment of traditional industries in
the decade up to the mid-1980s,
high technology generated more
than 10,000 new ones.

Creation of more high-tech
jobs should be stimulated by a
number of factors, including a
boom in venture capital in the
region and some major road
improvements.

Ware River downstream from
the city of Philadelphia.

Boeing's workforce has risen
from 4,600, in 1984, to around
6,700 now, although it is still
substantially below the Vietnam war jevel of 14,000, it is
currently rebuilding more than
300 Chinook helicopters, which
will run until 1990, will
region and some major road
improvements.

next century.

Its other main project is the V-22 Osprey, a joint venture with Bell Helicopter, a Textron subsidiary. The first prototype will fly this summer, leading to the production of some 900 aircreft worth 523hm in coming craft worth \$23bn in coming years which will be shared with involving some 200 Pennsylvania sub-contractors, and has
also generated work for British
companies such as Lucas, Britlah Aerospace, Westland and
Martin Baker.

THE HIGH technology sector continues to be one of the brightest spots of the regional economy, with a number of major manufacturers deciding in recent years to locate new operations, some for the first time, in Philadelphia or neighbouring countles.

The challenge for the late 1980s to local politicians, educators and business leaders, however, will be to ensure that the region does not fall victim to its own success.

Notable among the pressure points is the early stages of a more competitive, and the propagation of the pressure points is the early stages of a more competitive, which will make the region's advantages even more important. "We've got an infrastructure here that the region does not fall victim to its own success.

Notable among the pressure points is the early stages of a more competitive, which will help you get government contracts, said Mr Rapoport.

Elements include higher educations institutions, local banks that have developed skills for

yard in 1982 to Texas company, it foundered for several years before being bought by some Alabama investors. They were attracted by its location at a major port and very close to the interstate highway system, railways and international airport. The new owners have used the assets well by, for example, turning 45 acres into a container terminal, which draws on the shipyard's labour force at iower rates than the longshoremen's union elsewhere on the river. They have also invested river. They have also invested river. They have also invested in improvements and have learnt new modular methods of ship construction from lHI, the Japanese heavy engineering concern, resulting in extraordinary productivity increases.

Having out-lasted many of its competitors, Penn has a chance of long-term survival. Along the Atlantic seaboard, for example.

Atlantic seaboard, for example it is one of only a handful of major shipyards and has one of three big dry docks. Following the demise of the last dry dock

south to fill some highly skilled slots, which reflected the tight-ness of the labour market in the

But Mr James Nealls, tion, gave high marks to the county's educators for working with local businesses to meet labour needs. Given the lead times on the new navy con-

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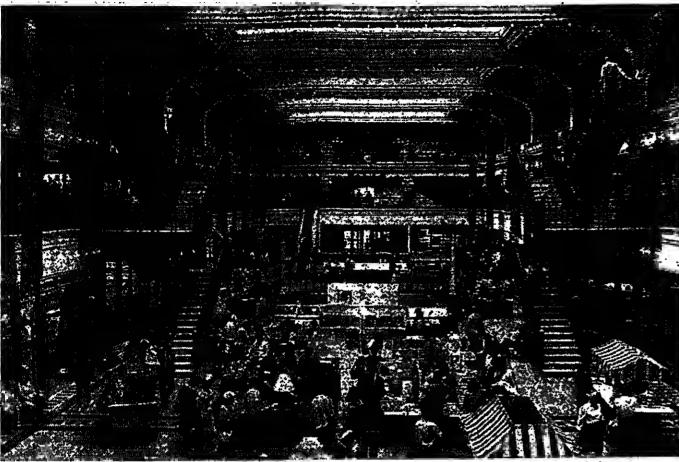
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PHILADELPHIA INTERNATIONAL 

# New hotels for old, and an air of small-town intimacy



Hunting down souvenirs in the Bourse shopping mail

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PHILADELPHIA surprised even itself with the success of its Constitution bicentennial celebration.

The sudden recruitment of take a long time to finance with the city'a general expectation of failure into a 50 per cent rise in total tourist revenues last August, and 100 per cent in September. The festivities emphasised long-running events with historic scenes to prevent the rush on July 4, and the strategy worked.

But it was not enough to overcome a lingering fear that the city has just not managed to keep up the pace as a tonrist control with the centre is a sign that the city has just not managed to keep up the pace as a tonrist centre and Philadelphia Centre and Phi

keep up the pace as a tourist. Centre and Philadelphia Centre attraction.

A 5 per cent hotel room tax, In fact, the city already has instituted in 1983, allows the replacements in Four Seasons, city to conduct a \$2m annual Sheraton, Society Hill, and the

completion of a new hotel-resi- pretzels and mustard) became a dence complex on Rittenhouse hotbed of innovative cuisine, Square that is under way after mixing European and Oriental numerous delays. flav. Philadelphia has long aspired ers.

to be considered a big-time At the same time, Sooth place, but much of its appeal is Street, once an inexpensive in the small-town flavour and shopping street on the edge of intimacy that a city of two mil-lion can maintain. The down-town area still consists land. town area still consists largely and stylish clothing shops, surof four- or five-storey townhouses, many of them recently restaurant. This one mixed the of four- or five-storey townhouses, many of them recently restaurant. This one mixed the
transformed into lawyers', ethnic Italian eating establishoffices, bot still on the scale
imported from the past.

A restaurant renaissance has
fostered the commercialisation
of Philadelphia's small houses
with intimate eaterles featuring
with intimate eaterles featuring
required from the scale
in the scale
of their military to the street and the youth
market plying its streets.

Jirl Zizka hopes to hure some
of that youth to his Wilma Thestre, a 100-seat venue whose
reputation reaches New York.

Mr Zizka says, "while it is close enough to go there any time."

space in the downtown area.
So too is the Philadelphia Orchestra, which has plans for a \$85m to \$90m hall designed by Richard Venturi, the local

When Blanche Schlessinger and Barrie Van Dyck estab-lished a Phildelphia literary agency, the local Daily News commented about the launch party in November: "If someone had dropped a bomb...it would have wiped out Philadelphia's literary community."

literary community."

A long-term promoter of the Philadelphia book market, Mrs Schlessinger did not know what kind of reception she would receive in New York, but she said that publishers "were glad to have direct access to Philadelphia's large but diffuse literary talents". ary talents

ary talents. An unrivalled scademic com-munity includes the nationally-ranked University of Pennsyl-vania and the international Temple University, which recently set up a thriving branch in Tokyo.

Well heeled donors, like the

Well heeled donors, like the William Penn Foundation, and the Pew Foundation support the arts in the city. Temple University has an art gallery in the middle of the Walnot Street shopping area, surrounded by private dealers in numerous private desiers in numerous media from many periods, including Helen Drutt's ceram-ics art with its national clien-tele. The Philadelphia Academy of Fine Arts, where Tomas Eak-ins taught, still flourishes to supply the local dealers, who also have ready access to the country's rich past.

Julie Courtney, director of the Temple Gallery, says that New York artists consider the gallery "a hot venue, because of its ground-floor location among commercial galleries and businesses in the heart of the city". Shows since it opened in 1985 have included works by Louise Boundaries Court Material and Bourgeois, Group Material and Komar and Malamid, who put a full-sized bust of Stalin in the

Besides attracting crowds to stare at the window, the show market plying its streets.

Jiri Zizka hopes to hure some surprisingly large immigrant of that youth to his Wilma Theatre, a 100-seat venue whose Zizka of the Wilma Theatre, menus of their unique creation. reputation reaches New York. finds Philadelphia a habitable A city once confined to seafood. An immigrant from Prague in urban environment in the midst houses and hoagie shops (not to 1977, he arrived in Philadeloft of the best that the country has mention street vendors with phia by accident but stayed on to offer.

purpose. "The important thing is to keep working. You can do that here and not in New York," Surveys show that the Wil-ma's 2,500 subscribers overlap the city's other, better-known cultural institutions like the Philadelphia Orchestra and the Art Museum. The Wilms hopes to add a young crowd to this base, and is looking for a larger space in the downtown area. architect who is also designing the National Gallery extension in London

The marina, Penn's Landing, on the Delaware River

### In case you're off to Philadelphia in the morning...

Rivka Nachoma provides a guide for the visitor

DAILY TRAVEL costs in Philadelphia are some of the highest in the US, averaging \$206 per

day, per person, including lodging, meals and rental car.

Airport: Philadelphia international, tel (215) 492-3181, seven miles from the city centre, 20 - 40 minutes by airport bus/fimousine.
Airlines: American Airlines (215) 365-4000; British
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Limousinea: Classic Limousine (215) 925-9335; Limelight Limo 342-5557. Taxis: United Cab Assn (215) 625-2881; Yellow Cab 922-8400. Rail: AMTRAK, 30th St Station, (215) 824-1600. Banks: Fidelity Bank, Broad & Walnut, 19102, tel (215) 985-8000, First Pennsylvania Bank NA, Broad & Chestnut, 19101, tel 786-5000. Philadelphia National, Bank Broad & Chestnut, 19101, tel 629-3100, Provident National Bank, Broad & Chestnut, 19101 tel 586-5000. Broad & Chestnut, 19101 tel 585-5000.

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Franklin Plaza, 17th & Vine, 19103, tel 448-2000. Hershey, Broad at Locust, 19107, tel 893-1600. Hilton, 34th at Civic Center Blvd, 19104, tel

387-8333. Palace, 18th & Parkway, 19103, tel

Restaurants: A'Propos (continental), 211 S Broad, tel (215) 548-4424. Le Bec Fin (French), 1523 Walnut, tel 567-1000. Deja Vu (continental), 1609 Pine, tel 546-1190. Deux Cheminees (French), 251 Camac, tel 985-0367. Di Lullo (Italian), 1407 Locust, tel 567-3559. Frog (French), 1524 Locust, tel 735-8882. Hoffman House (German), 1214 Sansom, tel 925-2772. La Familigia (Italian), 8 S Front, tel 922-2803. La Truffe (French), 10 S Front, tel 925-5062. Truffe (French), 10 S Front, tel 925-5062.

Shopping Hours: 10am – 6pm (Mon-Sat).

Shops: The Gallery (collection of shops), Ninth
& Market. Wanamaker's (department store).

& Market. Wanamaker's (department store).
Chestnut & 13th.
Entertainment: Academy of Music (concerts),
(215) 893-1930. Annenberg Center (plays),
898-8791. Shubert Theater (plays), 735-4768.
Veterans Stadium (sports), 463-1000.
Museume: Academy of Natural Sciences, 19th
& Ben Franklin Picwy, Norman Rockwell Museum,
601 Wahrut. Philadelphia Museum of Art, 28th & Ben Franklin Pkwy. Rodin Museum, 22nd & Ben Franklin Pkwy. War Museum & Library,

Other points of interest: Independence Half, Chestnut between 5th & 6th. Liberty Bell Pavilion Market between 5th & 6th. Mummers Parade,

Market Detween Str. & Str. Munimers Parade, Broad Street, January 1.

Newspapers: Philadelphia Inquirer (morning); Philadelphia Dally News (afternoon).

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rei 636-3000.
Emergency services: Alcoholics Anonymous, (215) 222-8940. Ambulance, 755-6758. American Automobile Assn, 569-4411. Dentist, 925-6050 (weekdays), 561-5281 (nights & weekenda). Doctor, 563-5343. Legal Referral, 686-5698. Poison Control Center, 922-5533. Suicide Hotline, 686-4420.





PHILADELPHIA occupies a unique place in American history, and the city's Independence National Historical Park contains many reminders of the Revolution and the establishment of the US Government. Among them are Independence Hall (left), where

the Declaration of Independence and Constitution were signed, the Second Constitutional Congress decided to resist England, and Washington became Commander in Chief; also the famous Liberty

flavours for culinary adventur-

At the same time, Sooth

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Philadelphia Industrial Development Corporation



### EAGLE EYE

released genetically engineered heart attack drug, Activase, has become the most successful new drug ever launched," chief execu-tive Robert Swanson boasted last week at an investors' conference in San Francisco.

The "blockbuster" that followers of the biotech industry have awaited for so long has finally arrived, he claimed. More than 100 heart attack victims were treated with the drug, which dissolves blood clots, in the Thanksgiving weekend immediately following its mid-November release. In just seven weeks, Genen-

tech clocked up sales of \$58m. The news has rekindled enormous excitement about the potential of genetic engineering in general, and about the prospects for new medical breakthroughs in particular.

### **Betting** on breakthroughs

Among the most closely watched companies is Amgen, a California company that has developed a genetically engineered version of erythro-poietin (EPO) a natural sub-stance that can be used to treat anemia in kidney dialy-

sis patients.
Analysts estimate that there is an annual \$100m market for EPO when it wins approval from the US Food and Drug Administration. Amgen is building a manufacturing plant to produce the drug in large volumes, and this is scheduled for completion by mid-1988.

Amgen is also a leader in the race to test and market one of the proteins that is thought to control the human immune system. Granulocyte colony stimulating factor (G-CSF) is seen as a potential treatment for cancer patients whose immune system is damaged by radiation and chemo-therapy treatment. In addition it could possibly help treat victims of AIDS.

This year, Amgen also hopes to begin tests of human growth factors, substances that could dramati-

# Fresh blood and new heart

GENENTECH'S recently years they could help surgical released genetically engi-patients go home sooner, burn victims recover faster and broken bones or ulcers mend

more quickly.

Growth factors are normally released by the body at a wound site. Amgen has developed a way to produce large amounts in the laboratory. A pinal tests indicate tory. Animal tests indicate that by applying growth factors to a wound, perhaps in continent form, healing can be

### Cells built for transplants

Another "hot" company in the blotech field is Bana Biol-ogics of Alameda, California. The company has perfected a method of cloning human cells from donated foetal organs. These laboratory-grown cells could be used, the company believes, as transplants to replace cells that have been

damaged by disease.

The major focus of work to date has been insulin producing "islet" cells of the pan-

While attempts to transplant live cells from human donors have proven problematic due to rejection, Hana Biologics believes that its laboratory-grown purified cells will not be rejected by the body and has recently begun human clinical trials. Cell transplantation also shows promise as a cure for Parkinson's disease, which results when a specific type of brain cell malfunctions and stops producing dopamine.

Last week the company also announced that it has begun a research programme to apply its cell transplant technology to the treatment of haemophilia. The researchers aim to demonstrate that the transplantation of specific liver cells (hepatocytes) can reverse haemophilia by prod-ucing proper levels of blood clotting proteins.

### Time to put up or shut up

As these and other US hiotech companies begin to launch significant new drugs,

WHAT WE ARE SEEKING BRUBAKER, IT NO LEST THAN THE KEY TO FREE MANKIND FROM THE SHACKLET OF DISEASE. OR, PUT ANOTHER WAY, A LICENCE TO PRINT MONEY



products.
Expect a shakeout, in the next year, of firms that have run out of time and money," A new application for warns David MacCallum, Alza'a transdermal patch curdirector of health care rently under consideration by research at Hambrecht & the US Food and Drug Admin-Quist, the San Francisco

nvestment bank. He predicts that 20 to 30 per cent of the 110 publicly traded US biotech companies will either fail or be taken over in the next 12 months.

crash last October, biotech firms that don't have products have been unable to raise funds," he explains.

### Sticking to delivery times

"Take four times a day, the doctor says, but will the patient remember? All too often, prescription medicines are not taken correctly, espe-cially if frequent doses are patient does follow the doc-tor's instructions, the amount of medicine in his blood-

drug delivery, Alza Corporation of Palo Alto, California, has developed a range of innovative systems for ensurcally speed the body's healing the pressure is building upon ing a constant dosage of me of wounds. Within a few the entire industry to make cine over extended periods. ing a constant dosage of medi-

Among the company's best known products are "time release" appetite suppressant capsules used by dieters and those band-aid like stickers that travellers wear behind the ear to avoid motion sick-

ness. Recently, Alza has developed important new applica-tions of its methods of providing constant controlled doses of medication. The latest is Volmax, a controlled release form of the widely used asthma drug salbutamol which was launched in the

UK this month by Glaxo.
Like the dieter's pills, Volmax tablets work on the princlple of osmosis. The drug is coated with a semi-permeable membrane through which a tiny hole is drilled by a laser. steady stream.

istration could provide pain duce hundreds of thousands relief for cancer patients and those recovering from major cells. The reproduction makes

A patch has been designed have been infected by a virus to deliver fentanyl (a pain The USC researchers have killer similar to morphine but been the first to report the "Since the stock market almost 100 times more ash last October, biotech potent) over a 24-hour period. Currently, the drug is avail-able only in injectible form ment of cervical cancer. Until

> transdermal patch, however, the drug's pain-relieving qualitles can be prolonged, providing a valuable new treatment for chronic pain, as well as sparing patients the discomfort of frequent morphine injections, Alza's transdermal patch is

stream may be well above or essentially a tiny reservoir of below the ideal level, depending upon how long it is since his last dose.

Seentially a tiny reservoir of has been difficult to follow, medicine that is stuck on the says Dr Martin.

The USC work could lead to a simple and highly sensitive as simple and highly sensitive. patient's skin. A rate-control-ling membrane regulates the a simple and highly sensitive To address these and other flow of medicine over a test for the human papilloma problems associated with period of days or hours. virus. Although there is cur-Transdermal patches are rently no specific treatment widely used to administer available for this virus, early nitroglycerin for heart detection would alert doctors patients and in hormone replacement therapy for post-menopausal women

THIS TRANSDERMAL PATICH WILL RELEASE MEDICAMENT OVER A 48-HOUR PERIOD, PREVENTING YOU BORING PEOPLE WITH DETAILS OF YOUR ILLNESS

Hard at work in the medical school

Putting the products of biotech to work is largely the purview of teaching hospitals. Last week the University of Southern California medical school described results that it has achieved in the diagnosis of cervical cancer using Water is drawn into the tablet laboratory techniques devel-by osmosis, forcing the drug oped by Cetus, one of the out through the hole in a major US genetic engineering

> The medical researchers are using a gene cloning tech-nique developed by Cetus that enables them quickly to proit easier to identify cells that

application of this technology to the detection of viruses that are linked to the developable only in injectible form and is used primarily for now, the "human papilloms anaesthesia because its virus" has been difficult to detect, explains Dr John Marin, a pathology professor at the USC School of Medicine.

Conventional medical labo-

ratory testing methods have failed to provide a reliable test for the virus. With conventional techniques, the initial stages of infection have been difficult to pinpoint and the progression of early infections to cancer development

to the potential danger or cervical cancer and the need for frequent follow-up exams.

# Oxford sets fashion in designer genes

A NEW laboratory near identifying genes they can Oxford, opened only last year, is doing brisk business in tailor-made genes for genetic lor-made genes for genetic had a head start.

Income from their designar genes could reach \$350,000 in the first year of trading, and leaves. Colifornia to market year within three years. lerton, California, to market year within three years.

British Biotechnology of reagent husiness. Ironically Cowley, Oxfordshire, even packages its precious genes sold Searle's know-how — is like gens. They come in a visit one of the company's most containing 10 millionths of a gram of DNA (the basic substance of life), as a freeze-dried powder. The vial nestles in a white foam-lined case.

"We call it the jeweilery box," says Tony Martin, gen-

box," says Tony Martin, gen-eral manager of the newly-created laboratory products division. "It's all part of the

image of a high-quality, high-value reagent.

Martin's genes range in price from \$500 to \$5,000 per vial, depending on the size of the gene and the difficulty of assembling it. Brian Richards, co-founder and chairman of British Biotechnology, claims two companies with good in-house capability for gene synthesis have already turned to his production line for genes which they tried to make themselves but which fell to pieces."

Richards, a molecular biolo-gist and former head of G.D.Searle's bioscience in Britain - now sold to Monsanto - started British Biotechnology a year ago, in partnership with Keith McCullagh, previously his research director. They aimed from the start to combine contract research for specific sponsors on some ambitious,

gene synthesis, originally developed for Searle. Rich-

in North America its catalogue of "designer genes" - a claims to make genes more
score so far - as high-value quickly and more accurately
bioscience research reagents. than anyone else in the
British Biotechnology of reagent husiness. Ironically

Molecular biologists are only just catching on to the merits of

Monsanto scientista, for stranded extensions known instance, have commissioned by genetic engineers as Richards to synthesise the sticky ends biggest gene ever attempted. Then the assembly is fully with 1,800 base pairs. It is closed into a suitable living hoped this will be constructed organism — hacteriophage or plasmid vector. Genes for

For its estalogue, however, British Biotechnology is care-rhodopsin are among the big-fully selecting genes coded for ger ones made in this way, what its own scientific advis- The accord assembly stratwhat its own scientific advis- The second assembly strat-ers see as the most interesting egy minimises the amount of

for comparison with a natural

in both roles, the designer gene is proving a very impor-tant piece of enabling technol-ogy for the genetic engineer, Richards claims.

His company's production line is a small back-room laboratory equipped with gene synthesizers developed in Searle's research isboratories at High Wycombe - now closed - but refined and now running more reliably, says Bichards. From receipt of an order, it takes about six weeks to assemble, finish and

hithough scientists some-times balk at his prices they have come to respect the comhave come to respect the com-pany's ability to meet a dead-line when they themselves may have previously failed to make the gene, says Martin. Genes from 500-2,000 base pairs can be rapidly and rou-tinely assembled, says Mark Edwards, head of molecular biology.

buying genes off the shelf as if they were laboratory chemicals

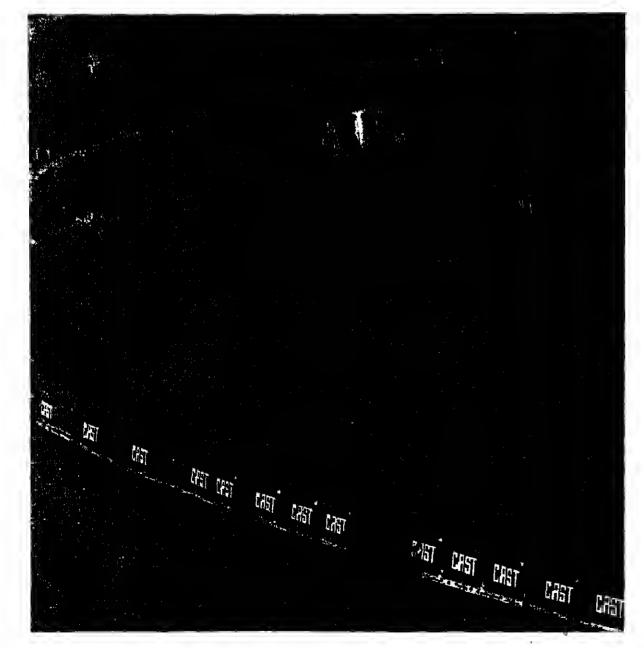
they needed our genes. In one, the oligoners are first "linesed" or treated to provide the necessary phosof buying genes off the shelf place group, then annealed to the isboratory chemicals, rather than trying to synthesise genes for themselves. Monsanto scientists, for stranded extensions known instance, have commissioned by genetic engineers as Richards to synthesise "the "atticky ends".

sipha-interferon and bovine

long-range targets in health care, with some high-vaine blotechnology products that might quickly put their venture in profit and facilitate rapid laboratory expansion.

From the start one idea was to use skills and technology in several interferons and interferons are proposed and interferons and interferons and interferons are proposed and interferons and interferons and interferons are proposed and interferons are proposed and interferons and interferons and interferons and interferons and interferons are proposed and interferons and Clients include companies company has developed com-which need synthetic genes puter software which minimards says progress has been for one of two reasons; either ises mistakes - illegitimate faster than they ever forecast as probes to detect genetic pairings - and maximises because of their success in abnormality, or as a standard speed of assembly.

# Dependability.

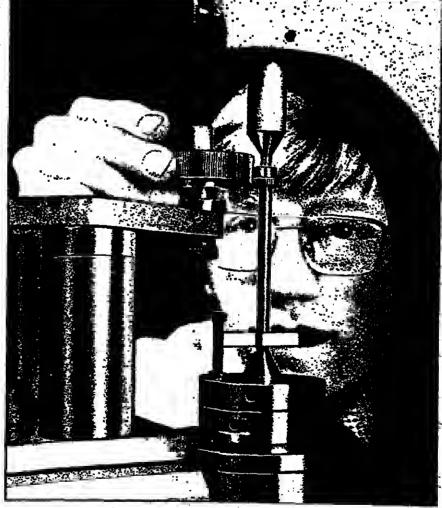


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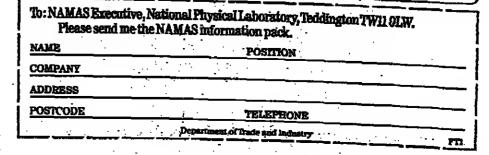
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### London Galleries/William Packer

# Contemporary artists of proven performance



"Megalithe," 1987, by Loi'c le Groumellec

Whether It is natural or acquired, however, any auch facility brings with it problems that are not lightly discounted. This question is central to any consideration of the work of Patrick Graham, an Irish painter also in mid-career and well into his forties. Indeed he raises it himself in an introductory note to the exhibition of his latest work, Bring Flowers: Bring Candles, now at Fischer Fine Art (30 King Street SW1, in association with the Hendriks Gallery of Dublin: until March 4). Whether it is uatural or

in association with the Hendriks Gallery of Dublin: until March 4).

At college in Dublin in the late 1950s, Graham was evidently the gifted, precocious, prize-winning atudent of his generation, the golden hoy. Though of course exceptional, the phenomenon is not so rare as oue might suppose, especially for those days when art students of 14 or 16 were commonplace. The results, too, were common enough: the talent burnt out, the promise unsustained, creative frustration and uncertainty following hard upon ease and assurance. "Another few years later," Graham tells us, "I had become that most realised of things in the Irish art psyche, a tragedy of unfulfilled potential." It is not to doubt him to see nothing peculiarly Irish, but only per-



"Le tigre mangeur de camion," 1986, by Robert Combas

sonal, in his predicament. In the end he gave up altogether, and it was several years before he atarted to draw again, and then to paint. But he seems to be going full blast now, if the physical scale of the work here, and the vigour of its execution, are at all rebable as indicators. It is painting in the "New Spirit" of contemporary international expressionism, as we have come to know it in the 1980s, expansive and indulgent with characteristic work (31a Bruton Place 1980s, expansive and indulgent with characteristic work (31a Bruton Place WI, until February 20). French painting may have relinquished

we have come to know it in the 1980s, expansive and indulgent on the surface, loosely drawn, more referential in its imagery its old pre-eminence decades than descriptive, with texts and slogans thrown in as clues to set the mood or strike some chord in the imagination.

Yet the curious thing is that the artist cannot not but be himself, for all the apparent denial of his former self and his in kind, and demonstrates typical French eclecticism. typical French eclecticism.
Two of the artists, JeanCharles Blais and Robert Combas, are familiar on the international circuit: Blais, with his

and mask-like head, for example, stated with seemingly perfunctory speed, in fact is drawn and modelled with scrupulous, delicate, almost old-fashioned facility: we can take his point.

\*\*

Six Young French Artists, from the Parislan atable of Yvon Lambert, now fill the Mayor Rowan Gallery with characteristic work (31a Bruton Place WI, until February 20). French painting may have relinquished

huge, crude figures on roughly at an old religion subsumed torn and roughly painted paper, and Combas with his knowing and aggressive comic-book mounted with crosses, that hint at an old religion subsumed within Christianity, just as the chapel sits on the rock at Carnac.

and substantial.
But physically the most Impressive works are the large composite reliefs of Christophe Boutin that dominate the upper gallery, simple formal construc-tions of grey lead and rust-col-oured paint that stand as blank and ambiguous as the entrance to a neo-classical tomb. And most painterly are the deceptively simple grey canvasses of Loic le Groumellec, with their images of rocks and megaliths mounted with crosses, that hint

### Le Public/Théâtre de la Colline

### Michael Coveney

Just opened in Paris is a splen- slowly and in agony.
did new theatre, constructed on lirate members of the audithe site of the old Thestre de ence, several ladies and five l'Est Parisien (TEP) in the rue students, discuss the aesthetics Malte-Brun. Under the direction of theatre, the realisation that of the Argentinian Jorge Lav-Juliet was played by a boy and elli, this latest addition to the that a young actress has been

to the 20th century repertoire.

It would be hard to think of a lost piece by a great dramatist opposed to the director's open more worth presenting than air manifesto. By this he means Lorca's El Publico. This is the Freoch premiere. It goes without saying we have not seen it in England.

Although some student productions have been noted in the United States, Lorca's 1930 surreallst improvisation received its professional premiere only last year. By sheer chance, Paris will see two productions in the space of several weeks: the Madrid premiere, directed by Lluis Pasqual, will come to Giorgio Strehler's Théâtre de l'Europe at the Odeon in April.

The piece dates from Lorca's New York visit and is quite different from the rural tragedies he wrote in the last few years of his life and for which he is most renowned. Lorca himself declared El Publico "unperformable" and "a poem to be hissed at."

The characteristic themes of sexual yearning and death are here, but in a more fragmented, dream-like treatment that relates both to the surrealist scenography of Salvador Dali and Yves Tanguy, and to the anti-illusionism of Pirandello.

But it was in its frank treatment of homosexual pasticular and the circular and year and to the anti-illusionism of Pirandello.

But it was in its frank treatment of homosexual pasticular and year and to the anti-illusionism of Pirandello.

But it was in its frank treatment of homosexual pasticular and year and year and to the anti-illusionism of Pirandello.

But it was in its frank treatment of homosexual years were allocated for the production does not solve the problem of articularity solve the problem of articular production does not solve the problem of articularity in production does not solve the problem of articularity in production does not solve the problem of articularity in production does not solve the problem of articularity in production does not solve the problem of articularity in production of a transparent in the States, of confession and revelation.

In all production d

anti-illusionism of Prandello.

But it was in its frank treatment of homosexuality that the play was years ahead of its time. The quest for truth in art can only be undertaken, the poet suggests, when the artist acknowledges the truth of his service.

beards declare romantic alle-giances to women but are

city's generously-funded seen bound and gagged under national theatres is dedicated the audience's seats. to the 20th century repertoire.

It would be hard to think of a a theatre beneath the sand, as the students demands the sand, as the students described by the students of the students of the students demand.

sexuality.

We see a theatre director who advocates a theatre of the open air challenged by four white horses who, as horses often do in Lorca, represent truthful, unbridled passion. The director goes behind a screen and emerges as a white harlequin in high beels. Three men in black beards declare romantic alle-

and theatrical vision.

The Freoch text is by revealed as homosexual lovers of each other and of the director.

Meanwhile, the theatre is presenting, offstage, shakes Cecile Kretschmar and Cathernany's Power and billst As it in Nicelan (or one roller too.) Meanwhile, the theatre is presenting, offstage, Shakespeare's Romeo and Juliet. As if beyond that play, we see a Juliet of the spirits in a glass tomb morbidly prophesying the ravages of time and taking a sexual initiative with a black horse. A unde, red-painted Christ-like Romeo with a crown of blue thorns, chained to an upturned bed frame, dies and bright maquillages by Cecile Kretschmar and Catherine Nicolas (at one point, costumes dissociate themselves from their owners and dance alone). I also particularly jazz score of Zygmunt Krauze, wittily played by members of the Musical Workshop of Warsaw all fitted out in fetching fedoras.

# David Hockney's 'Tristan und Isolde'

Every American town of any pretension had its own opera company (even it if put only stry, and focus. What Appia system made a noise; in Act 3 prescribed for Tristan — light one had to pretent that Atlantic aver responsive to the music — surge below the cliff accompanyation of the San Francisco Opera and latterly the New York City Opera. Various local eudeavours foundered until, last year, the Los Angeles Music Center Opera came into being. (The Music Center's entered to the save primacy to being. (The Music Center's entered to the save primacy to the susual aspect was this a distinguished Tristan. The Vari-Lite Kurwenal was beautifully sung but lacked presence, Mehta conducted the LA Philharmonic; what a clear beat and a good ear for balance can achieve he achieved. So it was not a Tristan memorable to the ear. But Hockney's imagery has added something rich and precious to the "ideal Tristan" that ooe builds up from great recordings (Leider, being. (The Music Center's Dorothy Chandler Pavilion, home of the LA Philharmonic, is a well-designed 3,000 sent honse.) Peter Hemmings, formerly of Scottish Opera, then Auatralian Opera, is general director, and Placido Domingo is Artistic Consultant.

LAMCO opened last year with Domingo in Otello and a Salome produced by Peter Hall, Maria Ewing in the title role. This

Andrew Porter reports from Los Angeles on a production which should become a visual landmark in the opera's performance history

Tristan that ooe builds up from great recordings (Leider, Melchior, Furtwängler), and Flagstad at Covent Garden, Astrid Varnay at Bayreuth, Goodall couducting. Other houses will no doubt take up the scenery, as Hockney's Rake and Flute have been taken up, and match it with a finer musical interpretation. cal interpretation.

Tristan alternated with Macbeth, produced by Elijah Mosh-insky in Japanese sets and cos-Ewing in the title role. This year it has done The Fiery

Angel, produced by Serban, and now a Tristan and Isolds, designed by David Hockney, which should take its place along with the Appia, Roller, Prectorius, and Wieland Wagner stagings as a landmark in the opera's performance history.

Hockney's Bake and Flute for Glyndebourne used painted scenery. He has designed Tristan in three dimensions and has painted his sets with both paint and light – using a new system, Vari-Lite 200, devised for rock

Defformance history

Defformance history

But modern singers have learned to lean on their stage director, and these alugers floundered.

Jeannine Althmeyer, the Isolde, produced bright, strong, in blue, and Brangane in brilland green.

Hockney starts where Wagner Glyndebourne used painted in three dimensions and has painted his sets with both paint and light – using a new system, Vari-Lite 200, devised for rock

Defformance history

But modern singers have learned to lean on their stage director, and these alugers floundered.

Jeannine Althmeyer, the Isolde, produced bright, strong, ducer should produce the opera (as Peter Hall did at the Met).

The Play can survive such transference – as Kurosawa and Yukio Ninagawa have learned to lean on their stage director, and these alugers floundered.

Jeannine Althmeyer, the Isolde, produced bright, strong, ducer should produce the opera (as Peter Hall did at the Met).

The singers – Grace Bumbry, Johns, the Tristan, came to life in Act 3; before that his sound was rather dry and toneless.

Martti Talvela was a rontine performances, concentrating on Mark. Florence Quivar was an volume. Placido Domingo conduced.

Wari-Lite 200, devised for rock

### Gloriana/Sadler's Wells

### Clement Crisp

The ballet suffered further in that the scale of incidents appeared far less theatrically effective: the distluctions between the courtly dances and the more intimate feelings of Elizabeth and Essex were lost, the action looked hugger-mugger, insecure. The fault is not the choreographer's, nor the company's, but the theatre's, and I hope that all those, whether private or corporate whether private or corporate benefactors, who value the Wells as a house with a real potential for dance, will rally to

Illustration of the need to widen Sadier's Wells' proscenium and open out its dance area than the first Loudon showing of Michael Corder's Gloriana. At the Birmingham Hippodrome, where the Wells Royal Ballet gave the first per-formance in November, the cho-reography filled the stage, and Dhilin Province fine design had Philip Prowse's fine design had Philip Prowse's fine design had room to breathe the atmosphere of the Tudor court. Crammed on to the Wells' pocket hand-kerchief, the dances looked as if bundled together, their morbid atmosphere – with its constant intimations of mortality – lost, and Prowse's design so cramped that Gloriana's entry take over the role of The was fudged, and the allusive economy of his decorations dispersion of the state of the state over the role of The was fudged, and the allusive economy of his decorations dispersion of the state over the role over the role over the ro economy of his decorations dissipated.

I still think Gloriana something benefactors, who value the a victim of its score - too much Wells as a house with a real courtly capering dictated by potential for dance, will rally to the cause of making the stage a the cause of making the stage a dance for its of the period be to at its best, on a larger stage, it.

There could be no more vivid speaks poetically of that dark lllustration of the need to undercurrent of death which widen Sadier's Wells' prosce- haunted Elizabeth's world.

l owe an apology to Bramwell Tovey. In my notice of the pre-miere of *The Edge of Silence*, I failed to credit him for the excellent musical direction of the SWRB orchestra in the Schnitke piano concerto with Stephen Lade: mea culpa.

Palmer in Hansel and Gretel from February 27.

### David Murray

Denorah Varsi/Wigmore Hall

Who can remember when they rees; but some movements fell last heard a pianist play into a routine that quickly Rameau? These days it would seem positively daring, even reckless; and it was reassuring to find, as Dinorah Varsi began her recital on Sunday with four of his clavecin pieces, that she does it with great flair. "La joy-ludes sounded as if it would have been more appealing a without prejudice to rhythmic energy or lucid part-playing. There was plenty of delicate time as a popular attraction? There was plenty of delicate time as a popular attraction? Not one prelude had an air of unashamed modern pedal — in "Les tendres plaintes." With so much pedal-haze "La rappel des oiseaux" took an impressionist step toward Ravel, but Miss Varsi kept it crisp and shapely; least to the propriate the step protracted, doom-laden Ds to

Partita (the one with the ety. I am sure that this interest-French Overture), and very, ing artist can do much better sprightly Passepieds and Bour-justice to herself.

Varsi kept it crisp and shapely; least a surprise; three only "Les trois mains," a tricky protracted, doom-laden Ds to cross-hand piece, failed to cooclude an indifferently tame translate well to the modern instrument. mid point and then declined Thereafter I thought the vaguely; the ones that presup-recital described a steady pose a delicate salon touch and downward curve. There were the dreamily introspective some perceptive things in Var-ai's account of Bach's B minor at severe cost to Chopin's vari-

# **Arts Guide**

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LONDON London Symphony Orchestra con-ducted by Wyn Morris with David Golnb, piano. Beethoven and Rachmaninov. Barbican Hall (Thur). (638 8891).

Orchestre National de France, Radio France Choir: Mozart (Mon). Theatre des Champs Elysees. (47 20 36 37).

Solvists' Choir and Orchestra conducted by Hagues Reiner with Mikhail Rady: Becthoven, Brahus (Mon). Salle Pleyel. (46 63 83 73). Sanemble Orchestral de Faris conducted by Gilbert Amy: Ligetti, Gilbert Amy (Tue). Salle Pleyel. (45 63 83 73). Sidoa Kremer, violin, Martha Argerich, plano (Tue). Theatre des Champs Elysees. (47 20 36 37). Nouvel Orchestre Philhamentique conducted by John Nelson, Francois-Rene Duchable, plano: Berlioz, Ravel (Wed). Radio France. (42 30 15 16).

Orchestre de Paris conducted by Daniel Barenbolm: Schoenberg, Bruckner (Wed, Thur). Salle Pie-yel. (45 63 88 73).

orchestre National de France con-ducted by Kurt Masur, Alexis Weissenberg, Piano: Mendelssohn, Mozart, Brahms (Thur). Theatre des Champs Elysees. (47 20 36

Gabrieli String Quartet: Britten, Elgar, Tchaikovaky (Thur), Saile Gavean (45 63 20 30).

Milan, Teatro Alla Scala: Maurizio
Polini, piano, Schubert and Liszz
(Mon). (80 91 26).

Rome, Auditorium in via Della Concilizzione: Juri Temirkanov conducting Mahler 2 with soprano
Larisa Shevcenko and contralto
Evgenja Gorochovskaja (Mon and
Tue). (85 44 044).

Rome, Teatro Olimpico (Piazza Gentile da Fabriano): recital by violinist Uzo Ughi (Wed). (39 33 04).

Rome, Oratorio del Gonfalone (via
del Gonfalone 32/A): Aulos Quintet. Vivaldi (Thur). (90 18 203).

NETHERLANDS

**NETHERLANDS** 

NETHERLANDS

Amsterdam, Concertgebouw. The Netherlands Student Orchestra conducted by Lucas Vis, with Fred Oldenborg, piano: Roosendael, Ravel, Rachmaninov (Tve). Hartmut Hsenchen conducting the Netherlands Philharmonic, with Naum Grubert, piano: Scriabin Mahler (Wed, Thur). Recital Ball Robert Holl, hass, accompanied by Rudolf Jansen play Schubert, Stephen, Knab, Pfitzner (Tue). The Muir Quartet: Janacek, Haydh Brahms (Wed). Arno Bornkamp saxopbone, with Ivo Janssen piano, and the Beaufort Winc Quintet: Milhaud, Brahms (Thur) (71 83 45).

The Hagne, Philipszal. Alain Lombard conducting the Hague Phil harmonic, with Olivier, Charlier violin: Mozart, Mendelssohn, Bee thoven (Tue, Thur) (60 98 10).

Utreekt, Vredenburg, Hartmur Hanechen conducting the Netherlands Philharmonic, with Naum Grubert, piano: Scriabin, Mahler (Tue). (31 45 44).

Growingen, Oosterport. The Netherlands Chamber Choir, Schonberg Ensemble and The Hague Percussion Group under Reinbert de Leeuw: Messiaen, Dallspiccola, Ligeti (Tue). The Vocem group with modern vocal compositions (Wed). Violia recital by Mark Lubotsky (Thur). (13 10 44).

**NEW YORK** 

NEW YORK

Chamber Music Society of Lincoin
Center (Alice Tully): Mozart, Peter
Lieberson, Brahms (Tue). Lincoin
Center (362 1911)

New York Philomusica, Robert
Johnson director. Haydn, Shostakovich, Mozart (Mon). Merkin Hall
(Goodman House)67th w of Broadway (362 8719).

Tokyo String Quartet. All-Beethoven programme (Wed). Kanfmann Hall, 1395 Lexington Avemue (831 8603).

New York Philharmonic, Zubin
Mehts conducting, Maris Joao
Pires piano. Wagner, Beethoven,
Beich (Tue); Erich Leinsdorf conducting, Kathleen Bartle soprano,
John Aler tenor, Benjamin Luxon
baritone, New York Chorel Artists

Opera and Bailet LONDON

Boyal Opera (Covent Garden). The new productinn by Jean-Pierre Ponnelle of Rossini's Italiana in Algeri is led by Agnes Baltsa and the veteran buffo bass Paolo Mon-tarsolo; but the most distinguished Rossini contributions come from the baritone Alessandro Corbelli, and from the conductor Gabriele

Ferro.
English National Opera, (Coliscum). Hansel and Gretel, in the new production by David Pountney conducted by Mark Elder, is a triumph of imaginative operatic reworking newarfully impoint reworking, powerfully imagined, gracefully achieved. The revival of Der Rosenkavalier introduces Valerie Masterson's Marschallin, supported by Jean Rigby, Rosa Mannion, John Tomlinson, and conductor Christian Badea. The famous Jonathan Miller Mafia style modernisation of Rigoletto has its last-ever ENO perfordirected by Joseph Flummerfelt Baydn (Thur). Avery Fisher Hall Lincoln Center (874 2424).

January 15-21

WASHINGTON WASHING ION

National Symphony, Giuseppe Sinopoli conducting. Salvatore
Accardo violin. Verdi, Mendeissohn, Mahler (Mon); Mstislav Rostropovich cnnducting, Nicola Ghiuselev bess, Choral Arts Society of Washington directed by Norman Scriboer. Bach, Shostakovich (Thur). Concert Hall, Kennedy Center (254 3776).

CHICAGO Chicago Symphony (Orchestra Hall): Hugh Wolff conducting, Earl Wild piano. Barber, A Rubin-stein, Berlioz (Thur). (485 S111).

Royal Ballet (Royal). Two performances of Giselle followed by a triple bill.

Paris Opera. Orphee anx Enfers is conducted by Lothar Zagrosel with Michel Senechal, tenor, domi with Michel Senechal, tenor, dominating Jean-Louis Martinoty's production of Offenbach's joyous parody of Gluck. (47425750).

Carte Bianche. (Opera Comique). A ballet performance leaving a free hand and a star role to the opera's painters. painters and acolptors. (42960611).

### WASHINGTON

Washington Opera (Eisenhower).
The company revives its 1986 hit L'Italiana in Algeri with Mimi Lerner and Francois Loup in repertory with Ruddigore. Kennedy Center. (254 3670). Center. (254 3670).

HMS Pinafore (Opera House). Brian Mcdonald's production stars Ron Moody and Meg Bussest. Kennedy Center. Ends Peb 6. (254 3770).

### Saleroom/Antony Thorncroft Chinese pictures popular

The saving graces of the art market at the moment are that, one, it is so international, and two, that new fields of collecting are always roaring through, that it can ride out a slump, or at least a slight slump. London is on extended leave in January but sales overseas seem to be holding up well. Yesterday Christie's sold Chinese pictures in Hong Kong quite success-fully, with a total of £1.27m, and 15 per cent unsold.

There were lots of records for a Chinese picture sale, for
an individual lot, for the size of
audience. This is a market
which has taken off in the last year with strong Hong Kong and American buying. A pri-vate collector paid \$142,446 for four hanging scrolls of flowers and fruit by Qi Baishi who died in 1957. The price was double the estimate. A scroll of flowers by the 19th century artist Xu Gu went to the US for £71,228 and a waterfall scene by Zhang Daqlan, who died five years ago, realised £39,568. Chinese paintings are a sector to watch this year.

The first major sales of the year took place in New York at the end of last week and produced fairly encouraging news for the auction houses. The market is obviously not as buoyant as it was six months ago but the stock exchange falls, and fears of a recession. have not totally wrecked demand for expensive works of

Master pictures. The Americans cannot work up the same enthusiasm for the art of the enthusiasm for the art of the past as they display for Impres-aionist and 20th century mas-ters, perhaps because most of the finest examples are already safely tucked away in museums
There was a record price for
an Old Master sold in the US
when a private collector bid
\$6.6m (\$3.7m.) at Christie's for a luxurioua painting by Jan Davidsz de Heem, recognised as the best Dutch still life artist of the 17th century. This large and glittering work is believed to have been commissioned by

Both Sotheby's and Christie's held important suctions of Old

King Charles I from the artist.
It was the highlight of a auction which totalied \$11.3m (\$5.4m), with a reasonable 16 per cent unsold. The other high prices were the \$330,000 (£185,393) paid for a pretty Boucher portrait of a milkmaid and the same sum which secured for the London dealer Johnny Van Haeften a Jan Steen interior of a family at prayer. When you set these prices against the sums paid for average impressionist and mod-ern pictures the cheapness of Old Masters is quite startling.

Sotheby's had a higher failure rate, 22 per cent from its general sale of Old Masters and 25 per cent from the Guterman collection. Top price in the general sale was the \$962,500 (£529,000) paid for a view of a Brazilian sugar plantation by the 17th century artist Frans

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**FINANCIAL TIMES** 

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Tuesday January 19 1988

# The taxation of marriage

husband and wife is expected to be a feature of Mr Nigel Lawson's budget on March 15. Reform is certainly overdue: taxation altogether. It would despite two consultative also ease financial pressures papers this decade, legislation when women give up work to continues to treat women as chattels and anomalously Full transfersbility, how-

reform is that husbands and office would need to know wives be put on an equal footing. Equality of treatment. earnings, even down to odd however, leaves two fundamental issues unresolved, allowance, in practice, wives would have a strong incentive would have a strong incentive mot to leave the home: a marresponsible for their joint tax not to leave the home; a mariabilities or separstely responsible for their individual liabilities. In the many liabilities of their second family income would be taxed ual liabilities. In the case of individual responsibility, rate from the very first pound should allowances be fully or she earned. partially transferable between marriage partners? Present law regards hus-

band and wife as a unit: this is why their income is usually aggregated. The joint approach makes sense, especially in the treatment of investment income. It is not really sensible to pretend that one partner is wealthy and the other poor; divorce courts, after all, do not accept paper titles to assets as a determinant of spouses' true rights and responsibilities.

However, as the Institute for Fiscal Studies argues, there now seems to be a consensus that the way forward is to end completely the present system of aggregation." Changes, such as the wife's earnings election, already point in the direction of tax-ing spouses solely on their own income, whatever its source. In 1986. Mr Lawson proposed separate taxation of investment income, accepting that the likely rearrangement of assets could lead to a loss of revenue. Independent taxation of spouses is somewhat artificial, but it at least guarantees wives full privacy and independence; it also avoids the lnequity of making spouses responsible for their which are often beyond their control.

### Favoured option

taxation, including investment income, seems virtually inevitable. The controversial question is whether, and to unchanged. The bolder course what extent, spouses should would be to take the logic of be able to transfer allowances base-broadening seriously and between themselves. Under plump for the administrative full transferability (Mr Law- simplicity and economic effison's favoured option in ciency of equal but non-trans-1986), a married couple ferable allowances, end

AN OVERHAUL of the rules would get two single allow-governing British taxation of ances regardless of whether

allows couples where both spouses work to claim the equivalent of two-and-a-half single allowances.

A minimum requirement of reform is that husbands and anomalously allows couples where both the 1986 debate recognised. The principles of privacy and independence would be undermined. The husband's tax reform is that husbands and office would need to know

### Poverty trap

Most important, perhaps, transferability would represent an extremely costly and ill-targeted use of resources. Why give all couples two allowances regardless of the reason why one spouse stays in the home? Why allow nonworking women to bring tax allowances to the marriage as downes. The Chancellor should surely restrict the use of allowances, in the interests of broadening the tax base, and bringing down rates. Particular problems, such as the poverty trap and the burden of child rearing, are more effi-ciently tackled through the social security system.

There seems, therefore, a strong case for the introduc-tion of equal, but non-transferable allowances. According to the IFS, at the same total cost as full transferability, the introduction of non-transferable allowances could be accompanied by: 2p off the basic rate, a rise in child benefit to \$12, and substantial Increases in supplementary and unemployment benefits. Non-transferable allowances would free resources to help the really disadvantaged.

In the face of these arguments, Mr Lawson seems likely to opt for a compromise - partially transferable allow-A shift towards individual ances. This mouse of a reform would cause little offence, because it would leave most households' tax liabilities THE BID FOR SOCIETE GENERALE

# The grand design of Mr De Benedetti

By Tim Dickson, Paul Betts and Alan Friedman

MR CARLO DE BENEDETTI's — has forced Societe Generale bid for effective control of to try to make more sense out Societe Generale de Belgique of and provide more direction is an attempt to gain control for what is by any standards of an institution rather than a motley collection of activities. The standard of the st company - one so entwined with the roots of Belgium's economic and political power that it has sometimes been called Belgium's 'alternative known as architect of the European Commission's steel

government". to every corner of the Belgian that would give new impetus economy. The idea that it to the company's strategy of should fall prey to (or even under the influence of) a foreign raider like Mr De Benedetti sends shivers of horror through the Brussels political and financial establishment.

The hid however has a essential requirement for

indication of his ambition to and oil trading activities. build a Europe-wide industrial and financial services holders were acquired last empire to take advantage of autumn through the issue of

Benedetti yesterday. He says the management. he decided at the beginning of Mr De Benedetti says, last year to build a giant indeed, that It was only very European holding company. recently that he decided to "What better place than Belmove into Societe Generale."

That comment will be small consolation to Societe Gener- were sown in December, when

European Commission's steel Societe Generale, a giant restructuring plan, was seen industrial and commercial as opening a new chapter in holding company, reaches out the company's fortunes - one to every corner of the Belgian that would give new impetus

and financial establishment.

The bid, however, has a messential requirement for dealing with the local busiconcerns over the Indepenness establishment - have dence of a strategic national helped inspire a number of asset. According to yester-recent deals. Among them are day's announcement, Mr De an aircraft leasing venture. Benedetti now controls with the Sumitomo Group of directly or indirectly 18.6 per Japan and the French comcent of "La Generale", costing pany Indosuez. involvement FFr 1.8bn (\$180mn); he in the break up of ITT's Eurointends to make an offer for a pean telecommunications further stake, perhaps businesses through a atake in between 15 and 20 per cent. Alcatel, and participation These actions are the latest with Dutch interests in rubber

the new opportunities which new shares to (among others) will be provided by the EC's the Lazard group and Artoiscreation of a single market Pledboeuf, the brewery. At after 1992. that stage, Mr De Benedetti's lave a grand European Paris holding company, Cerus, project and this is the reason had disclosed a 1 per cent we took the decision on interest, and appeared to be Societe Generale." said Mr De playing the role of a friend of

gium and what better group "You may not believe it, but than Soclete Generale to do this," he said.

"You may not believe it, but we took the decision only this month," he said yesterday. The seeds of the operation

ale. Since 1981, it has been the aggressive French finanattempting to reposition itself clai services firm Dumenil-Le-in much the same way, ble approached Mr De Bene-starting from a vastly differ- detti. Dumenil-Leble, which ent base. Through a series of has grown rapidly from its often quite small minority beginnings as a bond broker, interests in no less than 1,200 was anxious to strengthen its different companies, the Bel-balance sheet. It also wanted gian holding company exer- to put a chunk of its shares cises effective control over a into friendly hands, to avoid remarkably wide range of dif- the risk of a takeover while ferent business activities its share price was depressed from banking and insurance after October's stock market crash.

The opportunity of the Dumenil-Leble had already wider European market – and the emergence of a new breed of Societe Generale's shares – of business entrepreneurs and this attracted Mr De such as Mr De Benedetti pre- Benedetti. Cerus acquired a pared to take advantage of it 10.19 per cent stake in

He claims that after the vote at least three of his fellow Tory

First of many

French lieutenant, Mr Alain Minc, Cerus's managing direc-tor, started to plot a joint move on Societe Generale with Dumenil. Between them, they acquired during the last few days the bulk of the 18.6 per cent stake in Societe Generale - Dumenil-Leble building up its shareholding in the Belgian group to 10.8 per cent and Cerus to 7.8 per cent.

Mr De Benedetti gave few details of his plans for Societe Generale. He said there were a number of lame ducks in the Belgian company but that its management had already started a process of restruc-turing. He also suggested that Societe Generale had a probage holdings. But otherwise, he confined himself to reassuring generalizing at the penedetti's ambitions were too great to be confined to Olivetti. As the Milan stock exchange round in the penedetti's ambitions were too great to be confined to Olivetti. As the Milan stock exchange round in the penedetti's ambitions were too great to be confined to Olivetti. suring generalities. I am not a corporate raider but a corporate builder," he sald. "My aim is to bring something to Societe Generale and not take

anything away."

Air De Benedettl added that group, and a string of finannationalistic sentiment against his entry into Societe businesses in Italy. He bought Generale was perfectly understandable. But I think it is French car components group, less justified in a country like and of the Triumph-Adler Belgian which is the seat of office equipment group in the Community. Belgium was West Germany - and he likely to become the centre of formed a Geneva-based the Community in 1992, he argued, and it was in the meant to be the start of a interest of Belgium to see a Europe-wide financial sernew major European holding company based in the coun-

For Mr De Benedettl, the stalking of Societe Generale

The De Benedetti empire

Hotsling companies: Cons(Funci Cobde (Italy): Compagnie Industriali Reunite (CFI) (Italy).

World revenues: \$14.4 in include

O Intereste: banking, insurance, metal

St Laurent, car components and place

B Clivetti profits is billions of Liva (\*1st 6 monifie of 1987)

1982 1983 1984 1985 1986 1987

industrial & financial)

Cerio De Honodesti chaluman of Otivetti

the most ambitious step so far. Until only a couple of financial interests. The De years ago, he was best known for his rescue of Olivetti. Mr De Benedetti's ambitions 1985-86 boom, he managed to raise \$2.6bn through a series of share issues for newly formed investment compa-To that empire, Mr De Bensmoves of the French insur-detti wishes to add a truly ance group Assurances Gener-imperial prize - Societe Gen-ales de France to take effecnies. In quick succession, he

effective control of Valeo, the

vices operation. Mr De Benedetti's empirebuilding has resulted in a financial and industrial holding company which last year

ociete Generale

lend of 1986)

Rane Larry chairman of Societa Ga

Cinteresta: francial services, e

chomicals, dismands, cament & transpo

Societe Generale profits In billions of BFr ("1st 6 months of 1987)

Benedetti empire, controlled holding company, employs more than 100,000 people.

erale was founded by the King of Belgium more than 165 years. He is up against a formidable opponent. Societe Generale de Belgique may be vulnerable because of its wide apread of shareholders, and their loy-alty may owe little to its

recent performance. But as the Board's Governor Mr Rene Lamy illustrated yesterday there are powerful defences in the locker. In the same breath as politely rejecting Mr De Benedetti's advances, Mr Lamy announced that the company would shortly be issuing 16m new shares into safe bands, diluting the Itallan raider's potential stake from more than 33 per cent if his offer were to be approved

last September to a substantial increase in the company's authorised capital, has by no means seen off Mr De Benedetti. For the moment, however, it frustrates his ability to win a 25 per cent blocking minority. "Cerus delivered a knock out blow but Societe Generale has been saved by the bell," was how one leading Belgian stock market analyst put it last night. The referee's position is ambiguous, however. Last week, the Bel-gian Banking Commission

by the regulatory authorities

de Belgique is undonbtedly achieved combined revenues expressed its disapproval of of \$11bn on the industrial the tactic, a hotly debsted side and \$3bn from a range of talking point in Brussels since the expensive operation by Royalc Belge, the country's by Cofide, his ultimate family second largest insurance com-holding company, employs pany, to fight off a French more than 100,000 people. predator and Societe Gener-Even in the wake of the tirst round recent crash in share prices, the wake of the tirst round the empire still has a total takeover speculation last the empire still has a total takeover. The issue has been revivied by the recently been revivied by the

> third largest Belgian insurer. The Banking Commission is a Government controlled body which discreetly polices stock market activity. It indicated, in its annual report published last week, that empanies should not use authorised capital increases once a takeover bid had been announced. Mr De Benedetti's bid has not formally been announced, however, so Societe Generale may well be in the clear.

tive control of Assubel, the

Yesterday's statement from La Generale's elegant headquarters - appropriately positioned between the Royal Palace and the Belgian Parliament - is understood to have been officially cleared by the Banking Commission .

to just under 20 per cent.

This "poison pill", acquired company insisted that it is when shareholders agreed abiding by the rules. He emphasised that Societe Generale's opposed Mr De Bene-detti's bid because it would interfere with the company's new strategy. "We we are already moving in this sort of direction. It is nothing per-sonal. It is nothing nationalistic. We have our own plans and he doesn't fit into them." Mr De Benedetti may not fit into Societe Generale's plans: the question, however, is whether the company can be brought to fit into his ambitions.

# Time to restart peace process

IN THE second half of last future status is to be settled year, it became the received international wisdom that nothing could or should be done to relaunch the Arab-Israeli peace process until after the 1988 elections in the US and Israel.

Efforts to establish an international conference on the Middle East had run aground. The Israeli political system was polarised and paralysed. The Reagan Administration considered its hands to be tied as a result, and electoral politics were likely to preclude any new

That reasoning has been overturned in the last five weeks by the most persistent wave of unrest in the West Bank and Gaza Strip in more than 20 years of Israeli occupation.

Within Isrsel, the disturbances appear to have hard-ened the divisions between those like Mr Shimon Peres, the Foreign Minister, who believe the international conference represents an acceptable forum for negotiations on the future of the occupied territories, and those auch as Mr Yitzhak Shamir, the Prime Minister, who favour direct talks with Israel's Arab neighboura, with little involvement from outside the region. But for the rest of the world, the unrest and the Israeli reaction to it have emphasised the unacceptability of the status quo.

### Outline agreement

As the 1967 war becomes a

by negotiation, thus ducking the questions raised by their progressive integration into the Israeli economy.

The international commu-

nity – and the US in particu-lar – is at least partly to blame for the fact that these questions have not been posed with sufficient clarity over the past year. Last spring, there appeared to be a real prospect that a conference could be convened. Mr Peres had an outline agreement with the US and King Hussein on the structure of

auch a gathering.
What was missing was a real US commitment to action. Mr George Shultz, the US Sec-

National Unity coalition.
This position is no longer tenable. The US, as provider of grants worth \$3bn a year. is the only country which could conceivably sway the debate within Israel. It is entitled to expect sensitivity to lts concerns.

As Israel prepares for its election in November or earlier, the US could change the distant memory, the Israeli atmosphere by stating clearly occupation of the West Bank that it agrees with the rest of ano Gaza looks less and less the world that a conference is like the temporary affair the only viable umbrella for which international law supposes it to be. In the absence of a domestic consensus on what to do, Israel continues there could scarcely be a betto insist that the territories' ter time to say this than now. like the temporary affair the only viable umbrella for which international law sup-talks between Israel and Jor-

### Sri Lanka's big loss

mSri Lanka has lost its most reliable lifebelt. Ronnie De Mel, the Commonwealth's, posaibly the world's, longest-serving Finance Minister has finally quit as the island sinks deeper into civil division ,intransigence

and debt.

If Sri Lanka has managed to stay affoat as the four-year-old conflict between the Sinhalese majority and the Tamils wors-ened, it is largely because he persuaded the International financial community that somewhere in Colombo someone was working on a political solution.
He apparently no longer
believes that to be the case.
Affable, articulate and, above

all, a man of reason, De Mel despaired at the spectacle of an indecisive President Jayewar-dene being led by Sinhalese har-dliners who view any measure of Tamil autonomy as a threst Mr George Shultz, the US Secretary of State, was diasuaded by Mr Shamir and his aides from travelling to the region to get negotiations moving. Partly as a result, Mr Peres failed to muster sufficient domestic support to take the plan forward.

Washington has always preferred the Labour Party as an interlocutor in Israel. Yet It hesitates openly to back Mr

hesitates openly to back Mr
Peres, the Labour leader, for
fear of being accused of meddling in the politics of the
National Unity coalition.
This position is no longer
The labour leader, for incidentally, he also has a
fine palate. At the Dorchester
not long ago he sent back a
decanted claret, saying it was
'62 not '63, and turned out be

### New Tory rebel

■Only two new Tory MPs voted against the Government in the Official Secrets debate last Friday. One was Rupert Allason, the Member for Tor-bay, who has a special interest

tion was not surprising.
The other was Tim Devlin,

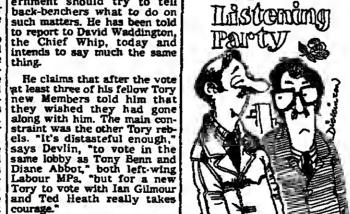
ELord Carrington will be returning to an old stomping ground when he relinquishes his post as Nato Secretary General in the spring. He has accepted the chairmansbip of Austrelia and New Zealand Banking Group's International Board of Advice, an economic think tank that meets about think tank that meets about once a year. Lord Carrington was chsirman of ANZ bank from 1967 to 1970 and chairman of the group from 1969 to 1970. No doubt, however, there is much more to come. Rico's rebellion

thing

The 43-year old leader of the latest Argentine army rebellion, ex- Lt. Colonel Aldo Rico, has been a controversalal figure throughout his military career. About to lead the armed forces

# ing. He said that he thought it was intolerable that the Gov-ernment should try to tell Thas tending back-benchers what to do on such matters. He has been told to report to David Waddington, the Chief Whip, today and intends to say much the same

*OBSERVER* 



"We're now the listening party - except John Prescott, of course."

for disobedience to a senior cadet.
He returned a year later to finish his course and emerged as a lieutenant in 1964. Despite the early blot on his career, he was none the less considered an outstanding officer for his "judgment and initiative and his natural physical strength." He became a rifle markaman, a parachutist, and in 1968 took a commando course, which equipped him to lead a unit of Commandos in the 1982 Falk-lands War.

In 1976 he entered the Superior War College in Buenos Aires, a staff training school for officers who go on to become senior commanders. After two years of study, a report on his progress com-mented: "He is an officer of integration with others diffi-cult. He should be more careful in the formal aspects of his duty, fundamentally in his way of expressing himself."

1954 1985 1986 1987\*

His strong will brought him immediately into conflict with his superiors when he arrived in the Falldand Islands on May 27 1982, and demanded to be sent into combat instead of carrying ont vital reconnaissance rying on which his 50-man commando unit was well equipped. He was later fiercely equipped. He was later hercely to criticise his commanding officers during the war, when he led last Easter's uprising in the Campo de Mayo infantry school in Buenoa Aires and which resulted in half of the army's chiefa of staff and unit commanders being sacked after hey refused to put down Rico's

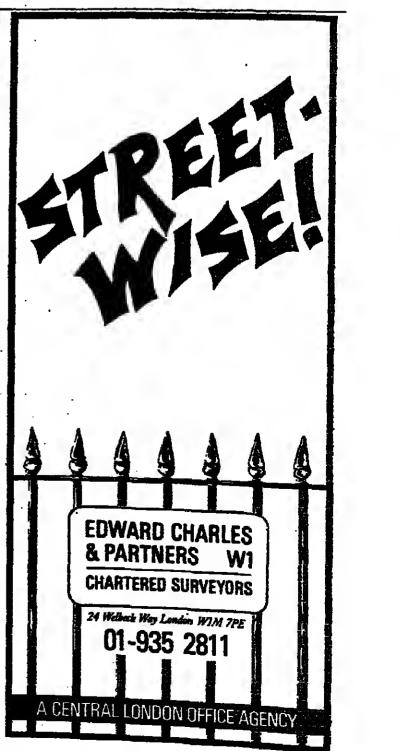
Since then be has continued to sgitzte within the armed forces for changes in the high command, despite being held under house arrest until his flight to the Monte Caseros garrison at the weekend where he is now leading the new rebellion.

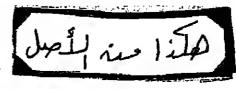
His principal demand is that the army's strategy of eliminating over 9,000 political militants during the "dirty war" of the 1976-83 military dictatorahip, be recognised as a neces-sary, and indeed a glorious vic-tory, with the implication that those responsible should be honoured rather than impris-oned. It looks like the thick end of the wedge.

### Growing up

Some people may have had doubts, but Lord Grade is absolutely certain that his young nephew Michael will turn out to be a distinguished chief executive of Channel 4.

He recently told Jeremy Issaes, the former Channel 4 chief executive and one of those who had initial doubts: "The boy won't let you down." "If he bad a wholly educa-tional channel, he could even run that," said Lord Grade, who claims he is increasingly known as Michael Grade's uncle.





Letters to the Editor

From The Vice President,

ers were humped in with the rest of the financial services

### Human rights still denied

From Dr Steve McGiffen. Sir, Your article on relations between the European Community and Turkey fails to note the attitude of the European Parliament. This is a serious omission, for although the Par-liament has few real powers, under the Single European Act

under the Single European Act
Corporate External Affairs.

American Express Europe Ltd
trade agreements with third
countries, and to refuse membership applications.

The policy of the European
Parliament in relation to Turkey is clearly stated in its resolution of December 11 1986.
Although some improvement in the human rights situation is discernible since then, the restrictions on trade union rights, detention of large numbers of political prisoners, absence of the right to a fair trial, and restrictions of free political artivity in which the trial and charge card issuers and the political artivity in which the trial and charge card issuers are were humped in with the consumer ineutral in respect of fine input tax in respect of their supplies (eg printing and advertising) and to create the situation where this becomes a hidden tax. Such a hidden tax becomes an additional cost factor in the final supply and also inflates the amount of VAT which is contrary to the aims of the EC, and, presumably, the British Government. The EC has contended that the VAT system should be economically neutral so far as the business community is concerned and ers were humped in with the consumer in neutrality can restrictions on trade union rights, detention of large numbers of political prisoners, absence of the right to a fair trial, and restrictions of free political activity to which this

ers were humped in with the soch economic neutrality can political scrivity to which this result of the financial services industry and given VAT exempt in industry. And the UK are time satisfactory and given VAT exempt in industry and given VAT exempt in industry. And the UK are time satisfactory and the UK are time satisfactory and given VAT exempt in the UK.

Card issister vare versistently and incustions in the UK.

Card

munists who returned to their country to organise a legal party dedicated — as are the communist parties in all of the current member states - to a peaceful road to their version of socialism. A month later, members of the European Parliameot declined to ratify a trade protocol with Turkey as a protest over the same issue.

The European Community is

a voluntary association rooted in treaties between democratic states. The admission of Turkey into any form of close arrangement with the EC would serve to give the seal of approval to a regime which continues to use systematic violence activet its systematic violence against its opponents, to rely on the threat of a further military coup to bolster support amongst a frightened populace, and to lay claim to a foreign nation'e terriclaim to a foreign nation'e territory by force of arms, By pointing — among all this damning evidence — to the holding of a referendum and election (from which many parties were excluded) as "proof" of a return to democracy, we produce a novel, minimalist definition of that concept. If we are governed by leaders capable of such distortions, then our denisuch distortions, then our demonstrate systems must them ocratic systems must them violence and blood-letting is. Selves be at risk.

Steve McGiffen, acceptable. The wider point, is for Dunk Whitby, Yorkshire ley argues, is that the choice of Helston, Cornsall 24 Est Terrace;
Whitby, Yorkshire

S CHEEKS

### Transport which uses the Thames

(River).
Sir, The various reports in the press recently about a proposal to build a motorway tunnel along the Thames were both interesting and news to me.

As the owner of the river bed As the owner of the river bed along which a roadway might be laid and the body responsi-ble for navigation and licensing on the tidal Thames from Ted-

dington to the sea it is surpris-ing that the Port of London Authority bas not been con-eulted about the feasibility of Authority bas not been concelled about the feasibility of such a proposal even at this early stage. That aside, the report does provide me with the opportunity to remind your readers that London is about to see the start of a new public transport system using the River Thames Highway when the Thames River Bus, to be Mr Channon is right that the such a matter of the spending on all their ser-busing that aside, the point that I must repeat again Government having provided is that It is misleading to sugare. The argument having spend to sugare several times in the last two years between Ministers and the Association's representatives — of all political parties.

In a narrow, technical sense the Thames River Bus, to be Mr Channon is right that the euited about the feasibility of such a proposal even at this ments are not new. They have early stage. That aside, the report does provide me with the last two years between Minthe opportunity to remind your readers that London is about to resentatives — of all political

From Mr Paul Harford.
Sir, I feel obliged to put on record the Association's dismay at the comments made by Mr Paul Channon, Secretary of State for Transport on the State for Transport, on the Chancellor of the Exchequer's

uses the Thames

D J Jeffery,
Fort of London Authority,
Europe House,
(River),
World Trade Centre, E1

FOR ADDICTS LIKE YOURSELVES

People can choose to watch or not

viewing must be left more to the viewer and less to those

who arrogate to themselves the

right to choose for ns. The

nature of programmes can be made known beforehand and

THERE'S NO 'OFF' SWITCH

operated by Thames Line Pic, starts its service during 1988.

D.J. Jeffery.

Government is now "providing" or whatever - or be punished for higher current expenditure for "overspending," lose rate on local roads than local high-support grant under the nega-

on local roads than local highways authorities are actually
spending on them. in 1988-89 increase the rates by \$1.30,
\$1.13bn for road maintenance,
12 per cent below the Government's "provision."

However, as we have pointed
out to Mr Channon and his officials many times, the extra
sums allocated for this purpose
over the last couple of years
have not been accompanied by
any increase in real terms in
the total grant paid to us by the
Government, nor in the total
amounts which the Government
is prepared to see local authori-

### Environmental impact of opencast mining can outweigh its profits

From Mr Malcolm Brocklesby.
Sir, Mr Emery's letter (December 21) demonstrates opencast: it concluded that knowledge have never opposed the threat to the British Countrywith frightening clarity the "there is limited scope for there is limited scope for restricting the detrimental envising from opencast coal-mining ronnental effects of opencast in the says that opencast is mining both in terms of their impact on the sorrounding ronsel loss of countryside. Bow or why he should make such a externent is difficult to comprehend.

Opencast is one of the most opencast is one of the most environmentally destructive environmentally destructive environmentally destructive of the Council for the Processes being carried out in the UK. This is not only the view of the Council for the Processes of Rectangle of the most end to the best of my this end to the best of my the concluded that knowledge this thousered per them to the effects of the knowledge have never opposed that the opposition stems primarily from the NUM or the current rate of extraction, opencast is taking an area of extraction, opencast is taking an area of every 30 years and the NCB is opencast opencast opencast opencast is imply that the impact on the size of Bedfordshire that the opposition stems primarily from the NUM or the current rate of extraction, opencast is taking an area of extraction. The problem is simply that the opposition of the current rate of extraction, opencast is taking an area of extraction. The problem is simply that the opencast is taking an area of extraction opencast opencast is taking an area of extraction.

The problem is cooled to the cooled that the opposition

nent loss of countryside. Bow or why he should make such a etatement is difficult to comprehend.

Opencast is one of the most environmentally destructive processes being carried out in the UK. This is not only the view of the Council for the Protection of Rural England. It is below 15 metres because "the considered opinion of the House of Commons Select Committee on Energy.

The Flowers Commission on Energy and the Environment.

### Cardiff is an important industrial and artistic centre and ideal for the Patent Office

South Wales. Companies House be able to talk to the world and still operates a small office in the world to talk back. The London, but it has achieved big minds of the inventors and savings in its operating costs innovators have made it possicience moving to Wales in 1976. ble to have the office in Cardiff and ensure an improved service to all concerned.

Cardiff.

He states that his staff and exactly how the Patent Office clients need almost constant access to the Patent Office.
Lawyers, accountants, bankers doubt that it will adopt all the advanced communications techniques of "fax", electronic mail and on-line computer. From both of which are located in South Wales. Companies House in the world and still operates a small office in the world to talk back. The

Our International mannfac-turing businesses know that Government offices oper-ate well in Wales. The Patent Office will be made very wel-Wales presents rew communications problems. Ask Sony or
Ford. There is now a daily
flight between Glasgow and
Cardiff for those coming from
north of the border.

Mr Baillie should take a lesMr Baillie should take a lesMr Market Saving Market Saving

Money has been saved and and ensure an improved service son from the Trustee Savings WINVEST, Bank, which announced just West Development Agency, atisfied.

Cardiff is in no way remote before Christmas that it had Greyfriars Road, decided to build a large com-

From Mr Colin Adlam.

Sir, lain Baillie (Letters, Jannary 6) is wrong to condemn the world. Many of its customathe suggested relocation of the Patent Office from London to Cardiff from London takes just an hour over the next few years. The and 45 minutes, by road the M4 TSB is a large, complex, nation runs from Cardiff straight into wide organisation. It studied London. It is often quicker to many location options and get from Cardiff to Heathrow finally saw the wisdom of being than it is to get there from in Wales.

### Aim was to make a capital profit

From Mr Tim Yeo MP. The case for VAT on credit cards their input tax in respect of

community is concerned and soch economic neutrality can only be achieved by minimising.

this is that while short term epeculation in any financial epeculation in any financial market is extremely hazardous, even for central banks, taking a long term view is easier and potentially more profitable.

Rather than engaging in temporary currency support operations of doubtful value

ments in exchange rates for Britain's financial advantage.

Tim Yeo, House of Commons, Wastminster, SW1

### A difficult

From Mr P.A. Temperion.
Sir, Michael Dixon'e "Word
Problem" (January 6) requests

no longer dependent, identified themselves as "Re-Treads", and

people can choose to watch or not. All televisions have that sad, I would suggest to Michael
Dixon the name "Executive
Transition Consultants", or perhaps "Occupation Pathfinders".
P.A. Temperton,
Distz, Fraser remarkable device, the on/off

& Partners International, Dorville House, 14 John Princes Street, WI

### IT HAS always been a risky business to take any govern-ment's public policy statements at face value. But there are few areas where the decoding process has to be developed to such a fine art

strategy.

made.

as arms control and defence

This bas been particularly true since the Washington summit. Part of the reason is

that no member of Nato

wants to give the impression that, by expressing doubts about this or that alliance pol-

icy, it is undermining Western unity and handing a political

hostage to the Soviet Union and its allies. Another, more

disquietiog, cause is that

there is often too much dis-

agreement within administra-

tions, as well as between allied governments, to permit

clear policy statements to be

As the Geneva negotiations

on cuts in strategic nuclear weapons resume, the arms control and defence strategy

debate in the West is, more

than ever, being cooducted by governments on two levels:

the public megaphone and the bebind-the-hand whisper. With this in mind, it is an

instructive exercise to exam-ine one or two of the post-

summit shibboleths that are

being hawked around the

The No 1 hit for many weeks, "We all supported the INF agreement", which the Anglo-American duo of Sir Geoffrey Howe and Mr George

Shaltz have made the ther

song of every arms control performance they have given aince the eummit, has slipped back. It has been replaced by

a variant with an equally ungainly title: "Nato strategy remains unchanged after

The first proposition was no

after all, what pop songs are supposed to be. Yet if the

debate about arms control

and Western defence strategy is to be conducted construc-

tively, the very real doubts which lay behind the Aili-

ance's formal endorsement of

the double zero agreement, to

Nato circuit.

Sir, Recent comment on the role of the Bank of England in supporting the dollar prompts me to draw attention to the only public advice I have ever offered the Chancellor oo this

offered the Chancellor oo this subject, which was in a letter published by your oewspaper in February 1986.

At that time the value of the pound was under \$1.10, and the British Government had about \$40bn of qooted debt with repayment dates after 1996. Confident that at some time between 1995 and 1996 the pound would be substantially pound would be substantially higher against the dollar, I advocated switching the whole of this long term debt into dollar denominated bonds, which could have then been effected without any interest rate pen-alty. The sum of this transac-tion was to make a capital

profit which, I suggested,
"could be as much as £8hn."
Reversing this switch today
at about \$1.80 to the pound would yield a capital profit of more than £15bn — more than the total proceeds of the privatisation programme during the intervening three years.

The conclusion I draw from this is that while chert term

and uncertain outcome, perhaps the Bank of England and the Treasury should consider ways of exploiting long term move-

At times like the present, when the future long term direction of the sterling dollar rate is bard to predict, our interest might best be served by remaining out of the market.

# path to tread

assistance in finding a name for the activity of hiring people to re-establish their careers. Some years ago British Air-ways female cabin etsff, re-hired when their children were

were proud to do so.

On a serious note, because helping people to re-establish their careers is a very serious business and sometimes very

is prepared to see local authori- colleagues have responsibilities. ties spending on all their ser- But leaving that aside, the

### concerned about the possibil- man Foreign Minister, claims ity of becoming the main bat- that Nato has committed tleground of a war between itself to follow-on talks on Nato and the Warsaw Pact, in short-range nuclear miceile which the remaining systems, the British and Robert Mauthner examines the discord within the Western Alliance over nuclear weapons short-range nuclear weapons French governments strees in Europe would play a prom- that such talks must wait

Nato policy

is ripe for

review

came to heel, it was more for the flexible response strategy.

political than defence strat- The least that can be said is

egy reasons.

The euphoria which followed the signature of the INF treaty by President Reagan and Mr Gorbachev, in Washington isst December.

Washingtoo iast December, can be married with the strat-has not entirely succeeded in egy – the subject of a report eliminating the bitter taste being drawn up by Nato left by intra-alliance wran-gling. if anything, the West tegrate. While Mr Hans-Die-Germans have become more trich Genscher, the West Ger-

inent role.

more than a romantic gloss on the real situation. That ie, upon to step up pressure for pieted. if ominous, support of the Soviet Union. For, as Mr Gor-Moscow's aim to achieve the denuclearisation of Europe. The conventional Nato wis-

eliminate all ground-launched dom is that the INF treaty has medium-range missiles, must be squarely faced. taken no more than one or two rungs out of the ladder of The hard facts are that "flexible response", the Alli-West Germany, Britain and ance's strategy of graduated France did not, in the first retaliation to attack, intended 500km and 1,000km; and gap is to be filled by air-Bonn was hauled kicking and screaming into the "ayes" Isunched and sea-launched cruise missiles, as is the intenlobby only after a damaging tion, the disappearance of yet

are any resident to the property of the property of the first of the property of the property

until negotiations on both After the expected ratifica-tion of the INF treaty by the (Start) and conventional and US Senate, Bonn can be relied chemical arms have been com-

negotlations on the removal The US administration is of weapons with a range of less outspoken. "Behind the below 500km, with the likely, hand", however, one is told The US administration is that there is no chance of Washington supporting negobachev keeps saying, it is tiations on short-range nuclear missiles until the proposed Start reductions have

been fully implemented.
Does this indicate that at least the US, Britain and France are on the same strategic wavelength? With a US presidential election on the horizon, a clear answer caninstance, want the agreement to avoid the ultimate step of a not be given. Yet it should not "Nato strategy has remained to extend to all nuclear misnuclear Armageddon. But be forgotten that President unchanged". The alliance caneiles with ranges between even if part of the resulting Reagan, in common with Mr not put off a reappraisal of Reagan, in common with Mr not put off a reappraisal of Gorbachev, has made comits strategy, however agonisplete nuclear disarmament his ing, for much longer and it is ultimate objective, a concept to be hoped that the proposed which Britain and France Nato summit meeting in the debate between the two coali- another category of ground- totally reject. What happens early spring will be used to tion partners. If, finally, all Isunched nuclear weapons after he leaves the White lay the groundwork for such. Washington's European allies would seriously undermine House is anybody's guess.

As if the waters of US strategic thinking have not been muddied enough, more confusion has been caused by the publication iast week of a report entitled Discriminate Deterrence, prepared by a FOREIGN AFFAIRS bipartisan panel of prominent defence specialists. Significantly, one of the report's principal conclusions - that the US will have to depend on nuclear weapons as the country's main deterrent for the foreseeable future — is more in tune with mainline European strategic thinking than it is with President Reagan's personal philosophy. Some of the other findings, however, run directly counter to the views of the European allies.

They should not, for that reason alone, be rejected. The Nato doctrine of massive nuclear retaliation as a last resort thraat may be percelved by the majority of Western governments as having kept the peace - in Europe, at least - for the past 40 years. However, for the authors of the report, the likelihood of an all-out war with the Sovlet Union hae been exaggerated and the Alliance should be thinking in terms of more limited conflicts.

The heavy, loog-range nuclear missiles in the auperpower areenals undermine support for nuclear deterrence as a policy because the wholesale destruction which they threaten is unacceptable to public opinion. They are thus "politically unueable" weapons. To be credible, deterrence ehould be based on high technology long-range precision weapons with small warheads, both ouclear and conventional, capable of delivering "surgical" attacks on military targets without necessarily triggering a full-scale nuclear exchange.

That, at least, is a rational argument for an alternative strategy for Nato, even if many European critics will quickly part company with the report's deterrence doc-trine and its endorsement of President Reagan'e Strategic Defence Initiative, with which it is proposed that offensive strategy should be linked.

However, the report does show that Western strategic thinking is in the meiting pot and that no purpose is served by a ritual and stubborn repetition of siogans such as

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# **FINANCIAL TIMES**

Tuesday January 19 1988

**PUBLIC RELATIONS** 

WE HAVE AN EAR IN IMPORTANT PLACES OI-883 2001 NOT-THE PLEET STREET, LONGON ECAA 248

Ian Rodger in Tokyo reports on efforts to change Japanese business philosophies and attitudes

# Calling time on cut-throat trading

THE TENDENCY of Japanese strategy."

Synort companies to focus on US and European producers building ever greater market shares, even if it means cutting prices and sacrificing short-term profits, has long been criticised abroad. Now it is under growing attack in

Japan.
The chairman of one of Japan's leading business associ-ations said this month that the concentration on building mar-ket shares was causing increas-ing unhappiness in other coun-tries and was no longer an appropriate strategy for a lead-ing member of the international

community.
"It is not acceptable for Japanese companies to engage in cut-throat competition simply to grab a larger market share." Mr Takashi Ishihara, chairman of the Japan Association of Corporate Executives (Keizai Doyukai) and chairman of Nissan Motor, said in the associa-

tion's new year statement.
"We must abandon quantitative expansion strategies with-out delay and establish a quali-tative, profit-oriented

of cars, industrial machinery, consumer electronic goods and, more recently, semiconductors, have had difficulty in respond-

have had difficulty in responding to competition from Japanese companies selling their goods at low prices.

Friction has grown steadily, with the US and European Community launching a succession of inquiries into allegations that Japanese products have been dumped in their markets and arranging voluntary restraint agreements with the Japanese Government.

Tensioo peaked last apring

Japanese Government.
Tensioo peaked last apring when the US slapped punitive 100 per cent tariffs on a range of Japanese electrical goods in retaliation for Japan's alleged breach of an agreement to restrain the highly competitive behaviour of its semiconductor industry.

industry.
That US response and the strength of the sentlment behind it startled the Japanese. Government and business leaders began immediately to examine their behaviour.



Mr Takashi lahihara

An advisory group to the Ministry of International Trade admonished to change their and Industry (Miti) published a business philosophies and attireport in August urging compa- tudes'

nies in the leading export-inten-sive sectors to be more sensi-tive to overseas interests when drawing up their expansion

plans.

It suggested that companies in six sectors - automobiles, video cassette recorders, communications equipment, semiconductors, machine tools and conving machines - should eopying machines - should change their priorities, "keep-ing the peaceful co-existence and mutual prosperity of various foreign enterprises in

In particular, before making any increases in capacity, com-panies should carefully study the state of supply and demand

in the world. "There can be cases where excessive equipment investments and over-production in Japan might have an impact on the supply and demand situation overseas," the report said, with characteristic Jspanese

At the time it was issued, the report's main thrust was largely missed. Attention - and controversy - focused on its recommendation that if frictions continued in any given sector, then Miti would have to control exports.

This simple statement of what has been happening for years was taken by many businessmen as a threat that Miti was going to become more interventionist and they pro-

tested loudly.
Mr Ishihara's statement may

Mr Ishihara's statement may draw protests for a different reason. It pulls few punches, saying bluntly that Japanese businessmen "must abide by international rules" and "establish corporate ethics in everyday business affairs".

Its main idea, however, is that the way to corporate growth in the future will not be through exporting inexpensive, mass-produced products, but through making "high-quality goods and services that offer diversity and individuality" for the domestic market. Watch this space.

# If Société Générale de Belgique manages to fight free of Mr De Benedetti, it will not be because It has convinced its sharehold-It has convinced its shareholders that its independence is worth keeping. On the contary, the company's defence consists in diluting to insignificance the anonymous Belgian dentists who own the bulk of it. A mountain of new shares are to be sold to investors prepared to support a management whose oe som to investors prepared to support a management whose sleepy style has often stretched to the limit the patience of many of its current sharehold-

Although finding safe homes for a cool BFR 53bn of Soc Gen for a cool BFR 530n of Soc Gen paper will not be an easy task, Soc Gen's impressive contact list should prove equal to it, especially if its new powerful friend Sumitomo can be depended on for a large slice. De Benedetti, on the other De Benedetti, on the other hand, should have no trouble in buying an extra 15 per cent of the existing shares; although after dilution be will have only 19 per cent of the whole, and may find himself prevented from making a full bid. However, this need not mean outright defeat. With around 20 per cent of the company, De Benedetti could thwart all of the management's schemes, and eventually force it to accommodate him in an agreement.

date him in an agreement.

Presumably he would be only too happy to leave alone the heavy industrial and energy interests, concentrating instead on its financial corners. Yet if on its imancial corners, yet if the plan is to create a grand European financial bolding company in preparation for the deregulation of the market in 1992, the two sides to the joint venture could hardly be getting off to a less harmonious event off to a less harmonious start.

Asda may have spent two years chasing up a blind alley with MFI, but as disastrons diversification ventures go, it could have been worse. Asda seems to have been able to short-circuit the classic cycle whereby a company in a mature low growth industry dashes off after businesses, it knows nothing about, spends knows nothing about, spends them and retreats eventually to a core business much the worse for neglect. In this case, the company has returned to its superstore roots to find them unimpaired - and quick to respond to careful nurturing.
No-frills Asda has finally learned the meaning of the word ambience; and with fresh

food representing 18 per cent of

THE LEX COLUMN

Shutting out the

Belgian dentist

sales in new superstores, it has begun to shake off its cans and packets image. Operating profits growth of 30 per cent in the first half-year puts the company in a league with the best in the sector. And while margins have already rises to a very respectable 5.7 per cent, improvements in distribution and expansion of the own-label and expansion of the own-label products programme should boost them further.

Nonetheless, the weight of change remains a burden in the change remains a burden in the short term. Asda is still playing catch-up with its competitors in terms of building new superstores (heuce its interest in picking up a few more from the Dee portfolio), while it plans to spend £100m next year on revamping an antiquated distribution system. All this is likely bution system. All this is likely to throw a shadow over profits through the end of 1989-90. MFI, too, is more than just a bad memory: Asda has retained a 25 per cent stake in the highly geared MFI/Hygena, where profits performance is at

Trusthouse Forte has yet to find the key to success in the US – the world's biggest hotel Midland Montagu's claims to market – but its UK business is compete with BZW or Warburg booming. After stripping out as an integrated investment the surprisingly large property bank. The spread of interests is gains, a 25 per cent rise in its fairly wide: corporate finance, preliminary pre-tax profits to fund management, syndicated £165m and a 18 per cent rise in loans, gilts, private client brokthe dividend are comfortably ing. But the gap on the courty the dividend are comfortably ing. But the gap on the equity above the average growth rates 5 of the previous five years; and ing side of corporate finance as judging by yesterday's confi-dent comments, the company scarcely be plugged by a 15 per sees little sign of any slow-cent indirect stake in James

per cent to 24.7 per cent over the last five years and the group is aiming for 30 per cent within the next five years. Higher occupancy levels, and increases in room rates which exceed the rate of inflation, have more than offert the next have more than offset the negahave more than offset the negative effects of a slowdown in US tourism at the group's all-important London hotels. North Americans account for only 25 per cent of London hotel revenues now, compared with 46 per cent before the Libyan crisis. The other buil point for THF is the success of its catering business, where substantial margin improvements and a number of acquisitions have boosted its contribution to a third of trading profits.

a third of trading profits.
Unlike many other interna-tional hotel chains, THF tends to own many of its properties and it is in the midst of a revaluntion of its entire portfolio which could throw up an asset backing of perhaps 250p per share. This should help under-pin the shares which, at 218p, are selling on a prospective multiple of 11% times earnings.

### Greenwell

The formal demise of Green well's equity side rounds off perhaps the most dramatic downfall in the London market since Big Bang. Talk of seiling the business sounds mere wishful thinking; Greenwell Montagu Securities now consists of little more than a back office which any likely purchaser would have already - and a star pharmaceuticais team which will doubtless make its own dispositions. It is hard not to blame Midland for the whole sorry episode, especially in dithering over its commitment to equities back in July and thus ensuring that staff would be dumped in the worst of the

hich includes the brok Capel. That may change in In the UK, where THF's custineers years or so, when the tomers may not be quite as first stage of Midland's agree-impressed as its shareholders ment with Hongkong & Shangby its success in squeezing out hai runs out, but there are no more revenue per head, hotel signs at present of Capel yearn-margins have risen from 16.3 ing for a closer relationship.

### Peres tries to force early **elections**

MR SHIMON Peres, the former Israeli Prime Minister and current Foreign Minister in the coalition Government, said yesterday he would again try to force early elections on the issue of an international conference on the occupied West Bank and Gaza Strip. hit by six weeks of violent unrest.

Mr Peres told reporters in northern Israel that he would raise the issue with his Labour Party's central committee and seek a majority in the Knesset (parliament) for elections to be held within three months instead of on November 1 as

scheduled. He said the Government was too divided to make peace with the Arabs or quell the violence. However, Mr Yitzhak Shamir the right-wing Prime Minister, immediately voiced his opposi-tion to early elections. "At this time, when we are under the people of Israel to enter into an elections war. It will weaken our position in the eyes

of the Arabs," he said.

Mr Peres last year tried to force early elections on the con ference Issue but failed because of a parliamentary impasse.

Mr Shamir is known to want to serve out his term to the maximum permitted under the 1984 coalition agreement between his Likud bloc and the

Labour Party. The latest sparring coincided with a lull in the unrest, as troops attempted in vain for the second day in a row to break a total commercial shut-down in the Arab eastern-side

While the curfew imposed by

the Israeli army on refugee camps and villages in the West Bank has been almost completely lifted, its grip on seven major refugee camps in the Gaza Strip - inhabited by some 200,000 Palestinlans - sbows no sign of being loosened.

Eye witnesses say that

despite army assurances of co-operation with relief agencies to ensure the supply of food to the belesgured camps, troops continue to turn away those attempting to take supplies to relatives inside. Several of the relatives inside. Several of the camps have been under total curfew for more than 10 days.

According to UNRWA, the United Nations agency responsible for the refugees' welfare, serious shortages of food are developing in some camps, though this is denied by the Mr Shamir reiterated a call yesterday to Egypt and the US to participate in talks with Jor-

dan and the Palestinians on autonomy for the occupied West Bank and Gaza Strip. Mr Shamir's repetition of his well-known stand in favour of a limited conference of regional atates, together with the US, to discuss Camp David-style autonomy arrangements for the occupied territories has little chance of gaining a sympathetic hearing from the other parties.

# Guinness may have lied over Distillers, UK court told

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT. IN LONDON EVIDENCE suggesting that the former management of Guin-court by Mr David Oliver, QC,

director, had replied to a letter from the panel's director general inquiring about the reported purchase of about 10m Distillers shares through Cazenoves, Guinness's broker.

Mr Roux wrote that "We ... can confirm that the purchaser is not a subsidiary or associated company of Guinness, that such shares were not bought for our account and that we have made no financial arrangements with the purchaser with respect to such shares."

read a letter written on April 18, 1986, to Mr Thomas Ward, nen a Guinness director, by in concert with Gui Pipetec, a Swiss company, confirming a £75.6m (\$133.8m) purchase of Distillers shares

upon instructions received from yourself." The Pipetec letter referred to undertakings by Guinness to pay Pipetec a £47,250 "up-front arrangement fee" and to repurthe shares from Pipetec at the original purchase price plus commission, fees and other costs and expenses.

Pipetec asked Mr Ward to confirm the arrangement by returning an enclosed duplicate of the letter "duly signed on behalf of Guinness plc." behalf of Guinness pic."

The panel had thereby disaA copy of the letter apparently bearing Mr Ward's signature was shown to the court.

The panel had thereby disabled itself from forming any
proper conclusion on the totality of the evidence "or ade-

Continued from Page 1

at the rebel troops.

support. Yesterday television broad-

casting live continuously showed citizens hurling insults

The renegade colonel appeared to be counting on his prestige as one of the heroes of the disastrous 1982 Falklands

conflict to rally fellow officers throughout the country and

force his superior officers to climb down in dealing with him. His determination to call the bhiff of the High Command and

force a confrontation under-lined the high stakes involved.

The charges under which he was arrested dated from his

rebellion last Easter at Buenos Aires barracks when the issue

was whether or not his fellow officers should face charges of human rights abuses under the

1976-82 military juntas. Col Rico's view was that middle-ranking officers like him, who had gallantly served their coun-

try, should not be charged when other senior officers went

His attack was primarily

rallied over 300,000 supporters to demonstrate publicly in his support.

directed against the generals appointed in 1983 by President Raul Alfonsin to run the armed

to rule that the panel acted unfairly and unlawfully, both in its decision and in the way it conducted two hearings on the matter.

If the panel acted duestion was, however, unique.

Mr Oliver said that none of the "principal actors" in the Pipetec matter had given evidence to the panel which, he

the panel's executive had begun an investigation into the purchase by Pipetec of some 10.6m Distillers shares - about three percent of Distillers' issued cap-

Despite Guinness's pleas for an adjournment, the matter had September 2, when the panel found that there had been a concert party relationship between Guinness and Pipetec

Mr Oliver said that the essence of Guinness's challenge was that, by the timing and nature of its investigation and decision, and by the procedures

it adopted, the panel precluded itself from taking into account relevant evidence

forces because they were rela-tively untainted by direct com-mand in the Falklands debacle or by direct involvement in the

Col Rico and his followers complained that under the new "democratic" system, orders were being handed down by officers without prestige and by a High Command that was

deeply compromised through bungling the invasion and

repossession of the Falklands/ Malvinas.

Part and parcel of this com-plaint was that middle-ranking

officers should not be singled out to stand trial for human

rights abuses, since they had

been obeying anperior orders; and furthermore that the "dirty war" was a justifiable enter-prise undertaken by the Argen-tine military as a whole to save

the country from left-wing sub-

Last Easter's rebellion ended when President Alfonsin agreed

to make unspecified conces-

under the juntas.

The letters were read to the quately assessing the quality of court by Mr David Oliver, QC, any infraction of the City Code

former management of Guinness may have lied to Britain's Takeover Panel about Its involvement in a secret purchase of 10m shares in Distillers are was revealed in the High Court yesterday.

The shares were purchased at a price substantially above that being offered by Guinness in its takeover bid for Distillers.

The court was told that on Aprill 17, 1986, Mr Olivier Roux, then Guinness's finance director, had replied to a letter from the panel's director genmake extra payments, esti- and awaited the outcome of mated at between £100m and inquiries into the Guinness \$200m, to former Distillers affair being made by Depart-shareholders.

Mr Oliver said that last May

It was, Mr Oliver said, vital to

know the foll details of the among several creditors that alleged concert party before It was very close.

"I think we're entitled to

titution. Mr Oliver said that, now that cocount and that we have made account and that we have made ital - at 705p per share.

The purpose of the investion owned by Guinness, there appeared to be its to make any further payments read a letter written on April parent company, in effecting to Distillers was 100 percent owned by Guinness, there appeared to be its to make any further payments read a letter written on April parent company, in effecting to Distillers shareholders that purchase had been acting the Code there might have

he acknowledged, however, that there might be "a moral compulsion" were the panel to decide that further payment

was appropriate. After Mr Oliver had read out Mr Roux's letter, Lord Justice Watkins commented that "That

was not true, was it ?" Mr Oliver: "It was not true. Or at least, it is certainly not clear that it was true." Mr Oliver said that a copy of the Pipetec letter had been sen

to Guinness by Bank Leu in January last year, in the course of the present Guinness management's own inquiries.
The hearing continues today. Argentine rebellion ends in surrender

sions on human rights issues which resulted in the "due obe-

dience" law absolving all mid-die-ranking and junior officers

from responsibility for crimes committed during 1976-82.

However, the softening of the Government's line on human

rights trials has done nothing to

pacify a small, determined group of officers like Col Rico, whose aim was a complete shake-up of the armed forces

The Argentine armed forces like other Latin military estab-

like other Latin military estabishments, follow the ethos of s
very strict chain of command
where promotions are carefully
regulated by seniority. Col
31co's Easter rebellion had
already broken this chain of
command and his current action
risked undoing it even more.
Thus, in the eyes of the High
Command led by Gen Caridi,
the rebellion had to be crushed
and without concessions. Concessions would have rendered

lts position untenable, and

undermined the credibility of the Alfonsin Government,

already criticised for having

given too much ground

## Nigeria's creditors back \$3bn debt plan

to reschedule \$3.2bm in unpaid trade debts over 22 years was approved by the required two-thirds majority of creditors, Law Debenture Trust, trustee for the debt. said last night.

NIGERIA'S controversial plan

However, the firm, which had organised a count of ballot papers over the weekend to calculate the monetary value of the vote, declined to divulge the size of the major-ity, provoking suspicions among several creditors that

some figures," said one credi-tor last night. "If it was a comfortable majority they would say something to that effect."

Most creditors believed that there was little chance of improving on Nigeria's offer, but the actual size of e critical

to efforts now under way by some to challenge the vote, taken last Thursday. Confidential Recoveries, a group representing Hong Kong creditors, said it had formally informed Law Debenture Trust yesterday afternoon of its belief that irregularities in the voting procedures had distorted the

The group has already obtained a temporary injunc-tion preventing Law Debeuture from releasing full details of the vote to the ture Nigerian authorities on the grounds that creditors who voted against the proposal could be identified. Confidential Recoveries

argued that this could have influenced the vote. It said it was now preparing to chal-longe the ontcome and believed It could raise suffi-cient finance to initiate court action.
However, uncertainty about

However, uncertainty about the actual size of the major-ity may make it harder to win support from other creditors for the challenge. This would be more readily forthcoming if creditors knew that the two-thirds majority had been obtained by a narrow margin. Confidential Recoveries

will be seeking today a con-tinuation of the temporary injunction, pending a formal court decision on its argument that there should be a permanent ban on release of the voting details to the

Nigerian authorities.
Ironically, Law Debenture:
Trust said this action, which is designed to protect dissident shareholders, was preventing it from publishing actual voting Scarce. actual voting figures.
To force the trustees to call a formal default would require the support of 25 per cent of all creditors.

This would still be difficult to obtain, despite the fact that many continue to resent the way they have been treated by Nigeria.

# NEWS REVIEW

### BUSINESS Ferranti on course with command

system study

Following the re-opening of bidding for the Type 23 Frigate command system project defin-ition contract, Ferranti Com-puter Systems, Bracknell Diviponer Systems, Bracknell Divi-sion, has confirmed its commit-ment to provide the Royal Navy with a command system that is "second to none". Ferranti has, once again, been selected to complete a 15 months competitive study for the Ministry of Defence. Heading a consortium with Heading a consortium with Logica and Systems Designers, Ferranti is proposing an RN dedicated version of the recently launched CS500 command systems.

### Sonar in tow

Ferranti has been appointed sub-contractor to STC Defence Systems of Basildon for the production of two Type 2046 Rowed Arrays for the Royal Navy's fleet submarines. The arrays will be manufactured in Bridington, East Yorkshire by Universal Sonar Limited, a subsidiary associated with Ferranti Computer Systems, Cheadle Heath Division.

Type 2046 is currently being introduced by the Royal Navy as the new generation core as the new generation core

### Briefly ...

Shell UK Oil, following a successful association over five years, has awarded a major service contract to Ferranti Fuel Vending Services, part of Ferranti Fuel Dispensing Group. Yorkshire Electricity Board has taken delivery of two new Fault Current Recorders from the Commercial instruments Department of Ferranti Department of Ferranti Instrumentation

### ROYAL NAVY

ADVERTISEMENT-

# Total weapon system

Ferranti has been assigned responsibility for the total sing's weapon installations on the new Royal Navy Auxiliary Oiler Replanishment (AOR) vessel. The multi-million pound Ministry of Defence contract was weaponed. pound Ministry of Defence contract was won as a result of proposals submitted jointly with Swan Hunter of Tyneside who will build the ship.

As a front line fleet auxiliary, the AOR is to be equipped with both passive and active defence systems. These will include the vertically launched Sea Wolf anti-missile system and a sophisticated communication system.

cated communication system.

Under the five-year contract, which was won under competitive conditions, Ferranti will supply all the weapons for the ship and deliver a total working ship weapon system to the Royal Navy.

Ferranti has an excellent working relationship with Swan Hunter. The two companies have already jointly won contracts on the Royal Navy Amphibious Warfare programme and are currently programme and are currently working together on the future provision of Araphibious Asseult and Command ships.

### DEFENCE

### Aid to gunnery skills

A standard monochrome video recording camera for conjunction with a monitor in use with the ISIS range of gunsights for fighter sireraft is now offered by Ferranti Defence Systems, Display Systems Department.

The camera is designed to replace existing cine film cast The camera is designed to replace existing cine film cassestes to record the pilot's bead up displays. If installed as part of a more extensive gunsight.

Video offers several advantages over cine. It provides longer duration in recording capacity and it is also more front controller to allow the pilot head-up control facilities for the aircraft's navigation and weapon-siming system.

# The good news is FERRANTI Selling technology

# World Weather 10 TP 15 61 Rhodes 6 G2 Rhode Fo Rome 15 64 Shigtory 25 77 See Prancis 77 63 Secul 6 43 Shigapëru 2 26 Shigapëru 2 35 Shigapëru 2 35 Shigapëru Algiere Anderer Antensa Behrale Bangkek Bensekun Behrale Bellert Bellert Berlert Berlert Berlert Berlert Berlert Berlert Berlert Berlert Burlert Burle 2 34 Stockheim 7 19 Steahoug 8 4 36 Stydny 8 10 Thippie 34 57 Teapie 35 75 Tei And 19 Stydnows 10 Sty Tubis 14 57 Valencia 14 57 Valencia 14 57 Valencia 14 57 Valencia 15 37 Valencia

### Vietnam seeks loan from IMF Continued from Page 1

French telecommunications labour force in southern Viet-company, for assembly and nam was highly skilled because installation of a new telephone the former South Vietnam "has

network. A "viable" and "relatively omy." free" exchange rate would put Vietnam in a better position to "The trade and allow the Govern- It is in our interests to with-ment to cut subsidies and its draw," he said. But he stressed

with "some guidance." Mr Oanh people" by the Khmer Rouge, ing from foreign currencies," was unusually frank, blaming now part of the Kampuchean suggesting sizeable foreign capthe deployment of troops in resistance coalition that is supplied in the company of the Kampuchean suggesting sizeable foreign capter in the company of the Kampuchean ing from foreign currency originating from foreign currency or foreign cur

remnants of a capitalist econ-

budget deficit, he said.

Prices and wages would be Kampuchea was needed to prereigned in; prices would be vent a repeat of the massacre
allowed to find their own levels of "thousands of our innocent
people" by the Khmer Rouge,

Under the new investment code, wholly owned foreign companies or joint ventures in partnership with Vietnamese entities – but not individuals – are allowed to invest in major "The army is non-productive. economic programmes.

> Profits can be repatriated but "salaries, wages, and fringe benefits of the Vietnamese personnel shall be payable in the Vietnamese currency originat-

# SECTION II - COMPANIES AND MARKETS

# FINANCIALTIMES

Tuesday January 19 1988



BRITISH CLEARING BANK TO CUT 240 JOBS

# Midland quits UK equity business

MIDLAND BANK, one of in 1986. Britain's main clearing banks, is to pull out of the UK institutional equity business after fail-ing to achieve a profitable market share. The decision will ket share. The decision will mean the closure of most of Greenwell Montagu Securities, Midland's equity subsidiary, with the loss of 200 jobs in the UK and 40 in Hong Kong.

The action comes in the context of Midland's new relationship with the Hongkong and Shanghai Bank, which took a 14.9 per cent stake in December and is building up an alliance with Midland.

Some of Greenwell Montagu's staff and business may be

staff and business may be transferred to James Capel, the Hongkong Bank's London stockbroking subsidiary which has emerged as one of the most successful agency dealers since the Big Bang deregulation of London's financial services

IU rejects

International to \$19 per share from \$17.50, valuing the US distribution and

**British investor** 

studies steel site

AN INVESTOR group led by Mr Michael Wilkinson, a British businessman, has signed a letter of intent with Wheeling-Pittsburgh Steel to buy portions of the steelmaker's Moneasen site. BMAC, headed by Mr Wilkinson, has not made an offer and is still studying Wheeling-Pittsburgh's Moneasen coke ovens, blast furnaces, basic oxygen furnace and bloom mill.

Wheeling said Bethlehem Steel had shown an interest in the site's continuous caster.

Honda to expand Canadian unit

HONDA MOTOR, the Japanese vehicle group, said its Canadian unit would spend C\$30m (US\$62.5m) to expand its Alliston plant.
Houds Canada said it will manufacture the Honda

Civic three-door hatchback model there atarting this April. The Causdian plant will be the only manufac-turer of this model in North

Olympia & York

lifts Abitibi stake

America, it said.

increased

bid of

\$590m

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in 1986.

Phoenix Securities, the corporate finance offshoot of Morgan Grenfell, has been asked to find a buyer for the remaining business. However, the chances of a sale are thought to be slim following Greenwell Montagn's turbulent passage through the past 10 months, which brought the consistently profitable through—

Midland Montagn, the invest—

Midland Montagn, the invest—

Midland Montagn, the invest—

Midland Montagn and retail broking activities are transfer as much as possible offits business to Capel, the decision will be left to individent on all clients. The relationship between Midland Montagn and Capel will be close but not clients better and at the same time improve further the financial performance of the Midland Montagn and Capel will be close but not clients better and at the same time improve further the financial performance of the Midland Montagn and Capel will be left to individent on all clients. The relationship between Midland Montagn and Capel will be close but not clients better and at the same time improve further the financial performance of the Midland Montagn and Capel will be close but not exclusive said Mr Rudl Bogni, the chief operating officer.

Capel will be clients business to Capel, the offits business to capel, the chief of the business.

The will enable us to serve our capel will be close but not capel will be close to concern for late of the business.

Capel will be close

Midland Montagn, the investment banking arm of Midland Bank, said the timing of the closure, would be decided by the end of the month.

Some of Midland's securities operations in the Far East and Enrope will be unaffected. Midland will also keep its successful gilt-edged dealing business in the UK, and other bond market operations in Europe and the US. Midland's private client activity, which has remained consistently profitable throughout 1987."

The closure marks the retreat thoughts banks are having about their involvement in the securities markets in the light of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds commitment because of mounting losses and management problems. Last October's markets operations in Europe and the US. Midland's action represents a further example of the second thoughts banks are having about their involvement in the Securities markets in the light of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds commitment because of mounting losses and management problems. Last October's markets in the light of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds commitment because of mounting losses and management problems. Last October's markets in the light of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds commitment because of mounting losses and management problems. Last October's markets in the light of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds of their difficult post-Big Bang by buying Greenwell experiences. Last year, Lloyds of their difficult post-Big Bang by buying Greenwell experiences. Last year light of the scale in further example of the securities of the light of the

# NCR and Wang Lab profits rise as Tandem growth slips

NEOAK, the US investmen group, has offered to raise its bid for all shares of IU

the US distribution and environmental sorvices group at \$590m.

The bid is subject to the negotiation of a mutually satisfactory merger agreement. Separately, Philadelphia-based IU, which has about 31m shares outstanding, said it rejected both the new conditional offer and the original hid made Tandem's announcement on Jandem's announcement on January 8 that its first-quarter sales had fallen short of expectations wiped 25 per cent off its stock value as it fell to \$20%, contributing to the market's steep plunge late in the session. Its shares rose \$% to \$19% in carrier trading variety in a state of the session. and the original bid made NEOAX said it was still seeking a meeting with IU management to discuss its offer IU has not responded early trading yesterday.

management to discuss its offer. IU has not responded to NEOAX's request for a meeting.

NCR reported record profits, revenues and orders for its fourth quarter and year ended directors has authorised quarter rose 20 per cent to permiss in the directors has authorised quarter rose 20 per cent to profits were \$56.6m or \$1.08 a share, up 65 per cent from the previous year. Although the company enjoyed "exceptional quarter rose 20 per cent to first half ended December, net profits were \$56.6m or \$1.08 a share, up 65 per cent from the previous year. Although the company enjoyed "exceptional gains" in Japan and good progress in the UK and West Germany, US sales suffered a \$108.6m or 60 cents a year earlier.

Revenues grew by 16 per cent to \$1.82bm from \$1.57bm. Full-year net was \$419.3m or \$4.51

Year net was \$419.3m or \$4.51

The board of guarter rose 20 per cent to profits were \$56.6m or 34 cents a share against a net loss of \$784.7m from \$668.9m. For the gains" in Japan and good progress in the UK and West Germany, US sales suffered a \$108.6m or 60 cents a year earlier.

The board of guarter rose 20 per cent to profits were \$56.6m or 34 cents a share against a net loss of \$784.7m from \$668.9m. For the gains" in Japan and good progress in the UK and West Germany, US sales suffered a \$108.6m or 60 cents a year earlier.

The board of guarter rose 20 per cent to \$184.4m or \$1.32 a year earlier.

Revenues grew by 16 per cent to \$1.48bn from \$1.27bn.

"Prudent financial management to \$1.48bn from \$1.27bn.

"Prudent financial management to \$1.48bn from \$1.27bn.

The board of \$1.00 a share, or \$1.00 a share against a net loss of \$1.00 a share against a net loss of \$1.00 and or \$1.00 a share against a net loss of \$1.00 and or \$1.00 and or

cents a share against a net loss September 30, net profits had of \$78.6m or 49 cents a year been \$105.6m or \$1.08 a share,

NCR AND WANG Laboratories yesterday reported higher profits as further evidence of the moderately good health of the US computer industry.

In contrast, Tandem Computers reported a fall in profits in its first quarter ended December. It-said, however, that the result did not reflect any change in the prospects of the company, which bad enjoyed strong earnings growth in the fiscal year ended last September.

Order growth last year was than we've been in for the past three years," said Mr Frederick by product lines. Although US orders were higher, the strongest growth came abroad, particularly in Europe and the Pacific. Earnings were boosted by increased sales and lower administration and selling international activity and increased domestic commercial brings in revenue and earnings and services rose 13 per cent in 1988, assuming no significant downturn in the economies of the major world markets,"

Tandem turned in net profits

We look for another year of gains in revenue and earnings in 1988, assuming no significant downturn in the economies of the major world markets."

Mr Charles Exley, president, sald.

Wang Laboratories reported further progress after large losses in the first two quarters of its fiscal year ended last June. In its latest second quarters are needed December 31 net earnings were \$34.1m or 21 cents a share against a net loss

# Bank of Montreal 'far-sighted'

MEXICO'S PLAN to exchange up to US\$20hn of international banks burdened bank debt for about US\$10hn of the bank's annual meeting.

Mexican long-term bonds backed by US Treasury securities could well prove "an exceptionally far-sighted step," Mr will have been created and valuated by the market. Other man of the Bank of Montreal, said yesterday.

The move could be constructive for everyone, including the Mexican Government and the international debt management will have been created and valuated by the market. Other debtor nations would have been encouraged to try innovative measures to better manage tive for everyone, including the Mexican Government and the international banks burdened conversion plan to the Brazilian Government. Implementation of this had begun.

In fiscal 1987, Bank of Montreal of C\$413m or C\$4.09 per share, and the debt of C\$413m or C\$4.09 per share, and the debt of C\$413m or C\$353m or C\$3.70 a share in fiscal 1986.

After special provisions for Third World debt, the bank reported a loss of C\$352m for fiscal 1987.

### Avon to sell health unit for \$228m BY OUR FINANCIAL STAFF

AVON PRODUCTS, the US cosments and respiratory therapy plans to sell its Foster Home business and a majority interest in the Infusion therapy business and a majority interest in the Infusion therapy business and a majority interest in the Infusion therapy business and a majority interest in the Infusion therapy business, Avon said.

Avon added that it estimated the deal would result in an after-tax loss of about \$30m.

\$228m. of which \$170m is cash and the balance in interest bearing notes.

The agreement is subject to the approval of the boards of both companies.

The companies signed a letter of intent yesterday and expect to complete the transaction by May 1. Abbey will purchase all

# Banker charged over Sealion deal

OLYMPIA & York Developments, the Toronto-based property group, has acquired an aggregate of 1.5m common shares of Abitibi-Price, the Canadian newsprint group, and is now the beneficial owner of a total of 51.8m Abitibi-Price common shares, or about 74.8 per cent of the outstanding common.

BY SIEVEN BUILEN IN LONDON

THE SINGAPORE Government (US\$73,710). The charges relate yesterday lodged charges to a government inquiry last against Mr Michael Taylor, the branch manager of Standard Chartered of a Chartered Bank, for allegedly providing misleading information during a government Similar charges were brought by Providing misleading information during a government Similar charges were brought by Providing misleading information during a government Similar charges were brought by Providing misleading information during a government Similar charges were brought by Providing misleading information during a government Similar charges were brought by Providing misleading information during a government of the Ministry of Finance.

Standard Chartered acquired againt Mr Ng, who was released on a personal bond of \$\$20,000. When they were held as collationally to charges that he violated the Companies Act and was ago for alleged insider trading businessman, Mr Yap Yeong Seong.

# Elkem doubles stake in Alcoa Nederland

BY KAREN FOSSLI IN OSLO

ELKEM, the financially troupled Norwegian metals group, him production.

Conversely, Alcoa increased the stake in Alcoa Conversely, Alcoa increased the stake in Elkem's Norwegian will keep management of the student of the stake in Elkem's Norwegian metals group, him production.

Mosal fabrication plant, which includes two smelters, and marketing and sales of products.

Alcoa Nederland has an annual turnover of NKrlbn and NKrlbon plant share in its UK Alcoa fabrication plant will continue to supply the EC to achieve a complete internal market integration by primary aluminum to Alcoa UK 1992 had prompted Elkem's 1000 tonnes.

Alcoa will retain management of the mosal fabrication plant will keep management of the mosal fabrication plant, which it supplies about 80 to 90 of the Drunen fabrication plant in the Netherlands and Elkem will keep management of the mosal fabrication plant, which it seems a stake in Alcoa increased the stake in Alcoa increased the stake in Elkem's Norwegian will keep management of the mosal fabrication plant, which its stake in Elkem's Norwegian increased the stake in Alcoa increased the stake in Bleam's Norwegian will keep management of the mosal fabrication plant, which its stake in Elkem's Norwegian increased the stake in Elkem's Norwegian management of the mild described and manual turnover of NKrlb nanual turn

### Robins Sterling Drug rejects bid studies three rival bids

THE DIRECTORS of A.H. Robins began meeting yes-terday to consider improved offers from the three inter-national pharmacenticals

national pharmacenticals companies companies competing fiercely for control of the bankrupt US drugs group.

The board meeting follows a flurry of moves at the weekend by Sanofi, the ambitione young French concern controlled by Elf Aquitaine, and the Rorer group of the US to match last week's improved offer by American Home Products.

cts. Sanofi also promised bet-Sanofi also promised bet-ter terms to the 200,000 women demanding \$2.48bn in damages from Eobins for alleged injury from its Dal-kon Shield contraceptive device. Under its improved plan, Sanofi will ensure that the full \$2.48bn is dis-tributed to the women even tributed to the women even if all claims are satisfied at

a lower level. The Robius board, which came out in support of San-ofi at its last meeting over the New Year, came under heavy pressure from non-family stockholders to sup-port the American Home

offer inst week.

Continued board backing for Sanofi this week could unleash a battle between family and non-family stockholders in the bank-ruptcy court this Thursday. The independent shareholders have threatened to file their own plan with the court to lead the company

court to lead the company ont of bankruptcy.

Robins stock, which has been edging np as the auction has heated up, rose a further \$% to \$24%.

Sanofi, which is planning to invest \$600m in Robins in return for 58 per cent of the company after five years, confirmed yesterday that it would provide stockholders with a cash dividend if Rob-

with a cash dividend if Rob-ins stock was not trading at \$48 after five years.

by Roche as 'inadequate'

A share from F. Hoffmann-La Sterling Drug said the compa-Roche of Switzerland as ny's "remaining independent "grossly inadequate." would be a superior alternative

"grossly inadequate."

Sterling Drug stock rose \$3% to \$77% in early trading as Wall Street prepared for a full-scale auction for the company, which had sales of \$1.99bn in 1986, its last reported year.

The company said yesterday that its board had unanimously rejected Roche's unsolicited offer. Mr John Pletruski, chairman, said the group's financial adviser, the Wall Street investment firm Morgan Stanley, had resolved that the Roche offer withdrawn or was otherwise unsuccessful.

Separately, Roche said group turnover fell by 1 per cent last year to just over SFr7.7bn (\$5.8m). Earnings are, however, sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to be higher than for \$1.99bn in 1986, when they fell by 7.9 per sepected to \$1.99bn in case the Roche offer. But in case the Roche offer with company said it was discussing several transactions, including seporately accussing several transactions, i

Ford names Trotman as new chief for Europe

executive of Ford of Europe in a series of senior management changes announced yesterday.

He succeeds Mr Kenneth

in the UK from the Royal Air Force in 1965 as a student Mr Trotman, who has a Mastrainee. He has held a series of ter's degree from Michigan managerial positions in product State University, became director of the Ford of Europe Car the US, before being appointed Planning Office in 1967.

roancial point of view to the to just over SFr7.7bn tolders of Sterling Drug comton stock.\*

Larringer ten by 1 per cent light to the year to just over SFr7.7bn (\$5.8m). Earnings are, however, expected to be higher than for 1986, when they fell by 7.9 per

He succeeds Mr Kenneth Whipple, who was appointed chairman of Ford of Enrope less than two years ago. Mr Whipple, previously head of corporate strategy and for four years president of Ford Credit, is to return to the the US as an exempting vice procedure and executive vice president and president of Ford Financial Serrices Group.
Mr Trotman,54, joined Ford

BY KEVIN DONE, MOTOR INDUSTRY CORRESPONDENT, IN LONDON FORD, the US automotive president of Ford of Europe, group, has appointed Mr Alex the number two post in Ford's Trotman chairman and chief European organisation, in Octo-

Under the leadership of Mr Whipple and Mr Trotman Ford has strengthened the profitabil-ity of its European operations and has increased its car sales in West Europe from 1.366m in 1986 to an estimated 1.479m in 1987. It was squeezed ont of the number three position in the European sales league by Peugeot last year, however, despite increasing its market share to 12 per cent from 11.7 per cent in 1986.

STOCK IN Sterling Drug, the diversified New York drugs ously the lawsuit filed against group, rose smartly yesterday in response to its announcement the Swiss group of insider trading and failing to disclose financial information required by US existing offer of \$4.1bn or \$72 securities laws.

Sterling Drug would "pursue vigor-cent to SFr415.9m, John Wicks reports from Zurich.

The slight decline in sales reflected the further appreciation of the Swiss franc. The Basic parent company said that in terms of locel currencies turnover was up 14 per cent - ny's "remaining independent or 10 per cent after excluding the sales are from F. Hoffmann-La. turnover was up 14 per cent -or 10 per cent after excluding

high-inflation countries. This rise was, it is stated, due partly to growth in actual sales volumē.

Had exchange rates remained at 1986 levels, all product groups would have shown an increase in sales over the year. As it was, turnover fell 3 per cent to SFr3.09bn for pharmaceuticals, 1 per cent each for the vitamins/fine chemicals and instruments divisions, to SFr2.04bn and SFr560m, respectively, and by 5 per cent to SFr262m for miscellaneous activities.

Elsewhere, there were slight increases to SFr881m for the flavours and fragrances division and to SFr872m for the diagnostics product group.

**KNP** expects earnings to rise by 43%

By Leura Raun in Amaterdam

ROYAL DUTCH Paper Milla (KNP), the Dutch paper and board producer, said its earn-ings for 1987 would surge 43 per cent to FI 190m (\$100m) from FI 132.6m the year before.
The big jump includes a onetime extraordinary gain of FI
36m resulting from a change in
the accounting treatment of

subsidies.
Without the extraordinary item, net operating profits rose 17 per cent to Fl 155m. Earnings per share advanced 15.5 per cent to Fl 18.50 as the number of shares outstanding

increased 8 per cent.

Mr F.J. de Wit, chairman of KNP, said he expected earnings to rise again this year amid "interesting prospects."

This announcement appears as a matter of record only.



ECU 100,000,000 8 per cent. Guaranteed Notes due 1991

Unconditionally guaranteed by

### ISTITUTO MOBILIARE ITALIANO

Crédit Lyonnais

Generale Bank

Banque Bruxelles Lambert S.A.

The Long-Term Credit Bank of Japan (Europe) S.A. Swiss Bank Corporation International Limited

**IBJ** International Limited

Bankers Trust International Limited

Barclays de Zoete Wedd Limited

**BNP Capital Markets Limited** Commerzbank Aktiengesellschaft Credit Suisse First Boston Limited Daiwa Europe Limited Mitsubishi Finance International Limited

Dresdner Bank Aktiengesellschaft Morgan Guaranty Ltd Morgan Stanley International The Nikko Securities Co., (Europe) Ltd. Nomura International Limited Société Générale Yamaichi International (Europe) Limited

January 4, 1988

Banque Indosuez

# INTERNATIONAL COMPANIES AND FINANCE

# Versatility keeps Maerklin on the right tracks

Managing Directors

International M&A Jopanese Equity Sales Nicholas C. Bedford J. Nicholas Garrow

WE ARE PLEASED TO ANNOUNCE

Taxable Fixed Income Sales Gary L. Goodanough

THE FOLLOWING APPOINTMENTS

Corporate Finance G. Donald Inhaston, III

Real Estate Finance Randolph J. Dumas Stock Research

Edward E. Duoleavy Peter G. Dagher Dennis J. Keegan

Equities Sales Robert T Hamecs

Fixed Income Sales Richard I. Corn Christopher J. Dark H. Inseph Leitch Ronald W. Pearrow

Financial Divisinn Edward J. Resch

Effective January 1, 1988

### Salomon Brothers International Limited

Victoria Plaza, 111 Buckingham Palace Road, London SW1W OSB, England

Salomem Brothers Inc. Atlants, Boston, Chucago, Dallas, Los Angeles, New York, San Francisco, U.S.A. and Zurich, Switzerland Salomen Broth Asia Limited: Tokyo, Japan Salomen Brothers AG: Frankfurt am Main, Germany, Member of Major Securities and Commodities Exchanges/SDPC.

US\$100,000,000

### MARINE MIDLAND BANKS, INC

FLOATING RATE SUBORDINATED CAPITAL NOTES

due 1999



For the three months 19th Jan 1988 to 18th Apr 1988 the Note will carry an Interest Rate of 7/4 per cent per annum with a Coupon amount of US\$191.16 per US\$10,000. Interest payment date 19th Apr 1988.

> JAMES CAPEL BANKERS LIMITED INTEREST DETERMINATION AGENT

1988 in separate transactions as follows:

bankruptcy of Papeles Sudamerica S.A.

Sale of Pulp and Paper, and Corrugated Box

**Production Facilities in Chile** 

Papeles Sudamerica S.A.

The assets of Papeles Sudamerica S.A. will be auctioned in early

1. A pulp and paper mill with design production capacity of 140,000 tons per year, located in Nacimiento (southern Chile). Construction of the mill is over 50% complete, and approxi-mately 80% of the equipment has been delivered to the site. The mill is designed to supply mainly the export markets.

2. A corrugated box plant with production capacity of 40,000 tons per year, located in Buin near the city of Santiago. The

Both plants are being auctioned separately by the receiver in the

Morgan Guaranty Trust Company has been retained by the receiver as financial advisor in the sale of these assets. All inquines regarding these transactions should be addressed to:

Morgan Guaranty Trust Company Attention: Patrice R. Guiol or Timothy C. Purcell

23 Wall Street, New York, NY 10015 Telephone (212) 483-4364; Telex 667240 Telecopier (212) 943-5448

Mr. German M. Sandoval Mitnik

Receiver in the Bankruptcy of Papeles Sudamerica S.A. Santa Lucia 168, 4th Floor

Santiago, Chile Telephone (56-2) 398161 Telex 240078 Metal CL

plant has been operating since March 1985, serving the domestic market, with opportunities to expand into foreign

Three German-style characteristics - sense of tradition, demand for quality, and money - provide the essential ingredients for a business with a retail turnover (including all imaginable accessories) estimated at DM650m (\$389.2m) a year.

is displayed to the full by Maerklin, the market leader. The family-owned business is believed to control about 50 per cent of the German market. It is well ahead of its most impor-tant German competitors, Trix, Fleischmann and Arnold, and regards itself as far superior to its East German rival, Piko.

### Benedictine rejects bid by

By Our Financial Staff

BENEDICTINE, the French liqueur distiller with a stock market value of about FFr854m (\$152m), has rejected a takeover move by Remy Martin, the cognac house.

**Remy Martin** 

cognac house.

Benedictine said yesterday the board agreed unanimously that none of the arguments presented by Remy Martin justified a takeover bid.

Most of the information the

distiller had received concern-ing the bid came from press reports, and it lacked substantive information about Remy Martin's intentions The Benedictine board

renewed its confidence in the president and requested him to take all necessary steps to fend off any takeover. The board had been informed by its employees that they wished Benedictine to remain indepen-A bid of FFr6,200 a share for

a controlling 60 per cent stake in the distiller was cleared by the Paris stockbrokers' associa
Mr Ondaatje was one of the Although the loan is tion yesterday.

Benedictine shares were suspended at FFr6,100 on Janu-

ary 11. Benedictine, which makes the famous herb-based French liqueur and has a nominal capi-tal of FFr14m, is the latest European drinks company to find itself in the takeover firing

Last Friday, the battle between Grand Metropolitan of the UK and Seagram of Canada took a decisive turn with GrandMet stepping up its offer.

WEST GERMANY, which is said to account for about half of Europe's miniature train enthusiasts, is without doubt the spiritual and physical home of the international model railway additional central rail to the international model railway and their the international model railway is incompanied for miniature trains and their the international model railway is incompanied for miniature trains and their the international model railway is incompanied for miniature trains and their the international model railway is incompanied for miniature trains and their the international model railway is incompanied for miniature trains and their the international model railway is incompanied for miniature trains and their the market. We have their drawers and their form market. We have their drawers and their form miniature trains an each representing a silce of history. There is of the various imperial railway of the various im

alternating, not direct, current
- differences which can add up

to a valuable marketing tool.

With a turnover of slightly under DM160m and a workforce of 1,830, the company has

But without a fourth characteristic, adaptability, the model train makers would not still be thriving. And the ability to marry tradition and technology

Maerklin, like IBM in comput-ers, operates a different techni-cal standard from competitors.

# to programme routes and time-tables to the finest detail. US deal helps lift Atlas Copco

ATLAS COPCO, the Swedish figure of SKr10.35bn.
mining, construction, and The US deal has added about industrial equipment manufacturer, reported a 7.5 per cent the last seven months. Atlasincrease in profits (after finan-Copco is working on its plans to cial income and expense, but improve the profitability of before extraordinary items) to the Cblcago Pneumatic SKr785m (\$130.lm) in its preliminary results for 1987.

to five years.

successfully adapted to falling birth rates and more sophisti-cated consumer tastes among a growing breed of adult model rail fans.

Bridging the gap between the toy and information technology markets, it has brought in digital electronics during the last

few years to allow train buffs

Group sales, boosted by the acquisition of the tools and director at Atlas Copco, said equipment business of Chicago the company was "cautiously

Pneumatic in the US in June, optimistic" about prospects rose by 11 per cent to about The group had an unfavoura-SKr11.5bn, against the 1986 hie currency balance, he said,

### Investment banker sells Canadian broker stake

three original founders of Loewen 18 years ago. He plans to concentrate on

ventures.

We remains a director and vice-chairman of Loewen.

About 80 per cent of Loewen.

About 80 per cent of Loewen.

The remains are held by its employees and the remainder are traded in the market. At recent prices the value of the deal would be between C\$4m and C\$5m (US\$3.9m). Mr

Atkinson will beld owned by Mr Roderick Bryden.

Kinburn will use the money to increase its holding in SHL Systemhouse, a firm of data consultants with 1987 sales of C\$176m, from 33 per cent to 50.5 per cent, and to raise its interest in its Paperboard to industries from 52 per cent to 90 per cent.

Paperboard

Atkinson will beld to find the market at industries from 52 per cent to 90 per cent.

CREDIT FONCIER DE

FRANCE

ECU 200,000.000

Floating Rate Notes Due 1996

For the period January 18, 1986 to April 18, 1986 the notes will carry an interest rate of 6,83125% per-amount with an interest amount of ECU 172,88 per ECU 10,000 note and of ECU 1,728,79 per ECU 10,000 note and of ECU 1,728,79 per ECU 100,000 note.

The relevant interest psyment date will be April 18, 1988.

Banque Parline (Luxembourg) S.A. Agent Bank

HILL SAMUEL GROUP ple

(Incorporated with limited liability in England under the Companies Acts 1908 to 1917) USS100,000,000 Floating Rate Notes due 2016

Finating Rate Notes due 2016
In accordance with the provisions of the Nates, notice is hereby given that for the Interest Period from 19th January, 1983 to 19th July, 1983 the Notes will carry a Rate of Interest of 8% per annum and that the interest payable on the relevant Interest Payment Date, 19th July, 1988 will amount to US\$404.44 per US\$10,000 Note.

Agent Bank

Meggas Guaranty Trust
Company of New York
London

ONE OF Canada's most colourful investment bankers, Mr
Christopher Ondaatje, is selling
his 11.7 per cent interest in utility and 80 non-regulated
Loewen Ondaatje McCntcheon, businesses, is lending C\$190m
a national institutional brokerage firm, to Mr Robert Atkingent entrepreneur so that he can

Although the loan is described by BGE as a stand-alone transaction, it has raised developing Pagurian, an expanding finance and management, publishing and other animal agement, publishing and other specific number of the Kinburn group, owned by Mr Roderick Bryden.

Kinburn will man the property of the Kinburn group, owned by Mr Roderick Bryden.

Kinburn will man the property of the Kinburn group, owned by Mr Roderick Bryden.

and C\$5m (US\$3.9m). Mr
Atkinson will hold a total of hearly 20 per cent of the company.

Paperboard is one of Cana—The rapid recent shake-out among the smaller Danish banks has followed two difficult years.

By Hilary Bernes in Copenh

The Azrhus bank, which serves the city of Azrhus, has assets of DKrl.3bn. Trading in The bank is having to make

losses have arisen in a company which has lost money on a joint venture bicycle manufacturing project in China. Aktivbanken will finance the

four in the Asrhos bank.

TRADITION

Group Tradition is happy to announce that as a further part of the planned geographical expansion of its brokerage activities, it has opened new offices in Sydney and Paris.

Tradition Australia, Sydney which extends the worldwide network of the group is principally involved in international financial transactions. Mediation, Paris will concentrate on domestic financial instruments denominated in French france.

its track, which contains an additional central rail to improve smoothness of current passage, is incompatible with other makes, and trains run off alternating, not direct, current of the same of th none the less, a mist. At the main Maerklin factory, 3,000

women and girls.

It is also exploring with universities and big companies such as Bayer, the chemicals group, the possibility of using numerically-controlled train networks for computer training servatively budgeted for 1887. locomotives, 15,000 wagons and 30,000 track sections are assembled each day with modern machines — but they all programmes and for running on a dollar worth DM1.70. tests on manufacturing pro- Plans for 1988 are based on the

cesses.

Mr Wolfgang Huch, a quietly decisive 50-year-old, is one of Maerklin's two managing directors, running the company on behalf of the three local families which own one-third each like which own one-third each lightly from last year's of the equity.

Maerklin does not disclose slightly from last year's DM159m. This could be one sign that

profits and carries discretion to extremes, even to the point of extremes, even to the point of some parts of the model market are reaching saturation point.

The company sells 20 per cent of its products abroad, with the US and Bwitzerland the main export markets, fol-

as between 25 and 30 per cent

of sales went to dollar-denominated countries, whereas the group's production was based in Europe. During 1987 demand in European markets was strong due to higher investment in industry, whereas demand from Latin America and the developing countries continued to be weak

Atlas Copco expects extraor-dinary gains of at least SKr250m for 1987

### Aktivbankenbuys smaller bank rival

DENMARK'S fourth bank take-over since the beginning of December was confirmed in Copenhagen yesterday with the acquisition of Aarhus Disconto Bank by Aktivbanken, the Jutland regional bank with assets of DKr14bn (\$2.17bn).

its share was suspended last Friday. substantial loss provisions and is expected to report a sizeable deficit for 1987. Part of the

takeover by an issue of five of its own shares in return for



### COMPAGNIE FINANCIERE

Older pieces are valuable col-lectors' Items. Aithough modern, standard-sized trains are made normally in plastic, a "nostalgia wave" among buyers has revived demand for Muerklin zine models.

Maerklin's in-house museum features 1930's models worth tens of thousands of D-Marks.

have to go through extensive quality and reliability tests.

Some of the letter markings on railway carriages are no more than 0.3mm high – impossible to decipher without a magnifying glass. Maerklin

But for the customer, young or old, who wants to create his own world of Germanic perfectionism, it can be worth every

magnifying glass. Maerkin rolling stock is designed to last for two to three generations, says Mr Huch, who talks proudly of trains made in 1934 still working perfectly. BMW sales up 11% but

export outlook uncertain

BMW, the West German laxury by factors over which BMW car manufacturer, yesterday had no control. Demand for announced an 11 per cent rise cars bad already passed its in group turnover last year to peak in important markets, DM19.5bn (\$11.6bn), but while the weak dollar was making contained uncontrol of the control of t 1988 contained uncertainties der.
which would weigh on exports. The October crash on Wall

influences on BMW at the start of this year.

heim said, the future development of BMW's business was the top of the range late in loaded with more uncertainties than usual.

The company's model improvements and additions should, none the less, enable it to produce and sell more cars, were being clouded increasingly

Mr Eberhard von Knenheim, Street had also caused econochairman outlined what he saw mists to rein back growth fore as the positive and negative casts. Because of this, Mr von Kuen-

heim said, the future develop-

### GOLD FIELDS COAL LIMITED

(Formerly The Clydesdale (Transvaal) Collieries Limited) (Incorporated in the Republic of South Africa) (Registration No. 01/01124/06)

ISSUED CAPITAL: 16,862,721 shares of 50 cents each

OPERATING RESISTS from 0001	Consolidated	Consolidated	Consolidated
	Quarter	Quarter	Year
	ended	ended	ended
	31 December	30 September	31 December
	1987	1987	1987
Total mined Total mined Total mined Financial mesucits (neod)	2,411	2,030	9,342
	2,152	1,796	8,144
Sales and other revenue	44,623	47,094	184,650
Cost of sales	39,569	40,848	152,794
Profit before tax	5,054	6,246	31,856
Tax	3,390	1,590	11,718
PROFIT AFTER TAX	1.664	4,556	20,138
Capital expenditure Dividend	385 8,432	1,133	5.728 13,491

[1] Capital Expenditure The unexpended balance of authorised capital expenditure at 31 December 1987 was R5.2 million which includes estimates authorised for

(2) Dividend A dividend (No. 149) of 50 cents per share declared on 10 December 1987 is payable to members on or about 10 February 1988.

P. R. JANISCH

18 January 1988

### SHEARSON LEHMAN **BROTHERS** FINANCE

### SHEARSON LEHMAN BROTHERS FINANCE moved on January 18, 1988 to:

1, place Longemalle PO Box 900 1211 Geneva 3 Switzerland

: 22/ 29 82 70 tel. sales : 22/29 82 70 tel. syndication : 22/29 89 50 tel. operations : 22/ 20 70 05 telex telefax : 428345 slb ch : 22/ 20 34 50

SEE OUR SWISS FRANC PRICES ON

TELEKURS Page: 85, SLBF REUTERS Page: SLFA-H

TENNECO

### Hudson's Bay Company

U.S. \$50,000,000 FLOATING **RATE NOTES DUE JULY 1989** 

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six month period (182 days) from 19th January, 1988 to 19th July, 1988 has been fixed at 75s% per annum. Interest payment date will be 19th July, 1988.
Payment which will amount to US\$3,854.86 per
US\$100,000 Note, and US\$38,548.61 per
US\$1,000,000 Note will be made against surrender
of the relevant Coupon.



TOTAL TOTAL CONTRACTOR OF COX



INVESTORS IN INDUSTRY GROUP PLC. lnc. in England under the Companies Acts 1948 to 1967, Reg. No. 1142830

£.75.000.000 Floating Rate Notes 1994 For the three month period 15th January, 1988 to 15th April, 1988.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 916 per cent. per anatum and that the laterest payable on the relevant instruct payment date, 15th April, 1988, against Coupon No. 14 will be £1,134.39 from Notes of 50,000 nominal and £113.44 from Notes of

S.G. Warburg & Co. Ltd. (Agent Bank) EXECT-TO BOTH BUT IN THE CAR OF

### Tenneco inc



The 1968 first quarter dividend of 78¢ parabate on the Common Stack will be paid March et a stack holders of record on February 5. About 171,000 stockholders will share in our earnings. Karl A. Stewart, Secretary



### CREDIT D'EQUIPEMENT DES PETITES ET MOYENNES ENTREPRISES

up to U.S. \$200,000,000 Guaranteed Floating Rate Notes
Due 1996

For the six months 15th January, 1988 to 15th July, 1988 the Notes will coury an interest rate of 71/6% per aunum and Coupon amount of U.S. \$357.05 per U.S. \$10,000 Note, payable 15th July, 1988.

Bankers Trust

### INTERNATIONAL COMPANIES AND FINANCE

# Afbank well ahead despite bad debts

AFRICAN BANK (Afbank), the Moses Manbane, was dismissed unquoted South African bank in the wake of the foreign ing company largely managed exchange problem. If Manbane by blacks, suffered from an increasing incidence of bad debts in the year to September in February but Mr Magomola 30, 1987.

Nevertheless the disclosed to case ends.

Nevertheless the disclosed taxed profit increased to R639,000 (\$322,000) from the previous year's R83,000 as the bank recovered from the bad publicity surrounding allegations of earlier foreign exchange contraventions. Afbank's staff was augmented by experienced personnel from Trust Bank when these came to light.

Mr Gaby Magomoia, the new managing director, says bad debts were especially prevalent in the black sector where most of Afbank's retail lending takes place. Poor demand for credit 1986 financial year, Mr Magomoia the place. Poor demand for credit 1986 financial year, Mr Magomoia sceptable borrowers obliged the bank to reinvest deposits in the corporate sector was the retail deposits.

A STATE OF THE STA

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The Control

3 646\*

- 1.87

12 4

deposits in the corporate sector rather than retail deposits. rather than to make retail Advances rose slightly to loans.

Mr Magomola was appointed assets were R134m at the end managing director in April last of September against R79.4m a year after his predecessor, Mr year earlier.

### Petronas profits hit by lower crude oil prices

PETRONAS, the Malaysian sian crude oil was expected to national oil corporation, has be between \$18 and \$20 a barreported a 34 per cent decline rel for the current year and in pre-tax profits to 43bn ring. that group turnover should git (US\$1.7bn) for the year increase by 16 per cent. ended last March, due to weak oil prices, on turnover down by Petronas' general reserves had 24 per cent to 8.34bn ringgit.

Profit after tax and minorities was 36 per cent lower at 12.36bn ringgit. The results do not include the accounts of the 90 per cent subsidiary. Bank Bumiputra, which is the comparty's second largest bank.

Raja Moh'ar Badiozaman, Petronas' outgoing chairman, git compared with 7.1bn ring-said that the lower earnings git.

### LAND SECURITIES PLC

Notice of Meeting of Holders of £84,000,000 674 per cent. Convertible Bonds Due 2002

NOTICE IS HEREBY GIVEN that a MEETING of the holders of the 284,000,000 634 per cent, Convertible Bonds Due 2002 of Land Securities PLC (the "Company") constituted by a Trust Deed deted 30th July, 1987, will be held at Landsec House, 21 New Fetter Land, London ECAP 4PY on Thursday, 11th February, 1988 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an Extraordinary Resolution:

THAT for the purposes of the Trust Deed dated 30th July, 1987 constituting the £84,000,000 694 per cent. Convertible Bonds Due 2002 (the "Bonds") the Company be and is hereby authorised : from time to time and at any time during which conversion rig respect of the Bonds remain outstanding to purchase for cancellation its own Ordinary Shares PROVIDED THAT the maximum price at which any such shares may be purchased is an amount equal to 105 per cent, of the average of the middle market quotations for such shares as derived from The Stock Exchange Daily Official List for the 10 business days immediately preceding the day on which the shares are contracted to be purchased and the minimum price is the par value of such shares from time to . .

Dated 19th January, 1988 .

By Order of the Board LA Jones

Registered Office: Landsec House, London EC4P 4PY

Bonds may be deposited with or to the order of any of the Paying and Conversion Agents, the names and specified offices of which are set out below, for the purpose of obtaining voting certificates or appointing proxies at any time up to 10.30 a.m. on 9th February, 1988 but not

The Extraordinary Resolution, if duly passed, will be binding on all the Bondholders whether or not they were present or represented at the Meeting and whether or not they voted in favour.

in order for the Extraordinary Resolution to be passed at the Meeting, a quorum must be present and a majority is required in favour consisting of at least three-louriths of the votes cast at the Meeting in respect of

The quorum for the Meeting is two or more persons present holding Bonds and/or voting certificates and/or being provide and holding or representing in the aggregate a clear majority in principal amount of the Bonds for the time being outstanding. If no quorum is present the Meeting is required to be adjourned to a date between 14 and 42 days

At an adjourned Meeting, unless new voting certificates or forms of proxy are received, the voting certificates or forms of proxy received for the earlier meeting will remain valid.

Copies of a letter from the Chairman explaining the proposal may be obtained during normal business hours on any weekday (excluding obtained during normal business hours on any weekday (excluding Saturdays) up to and including 11th Fabruary, 1988 from the Paying

PRINCIPAL PAYING AND CONVERSION AGENT
The Chase Manhattan Bank, N.A. Woolgate House London EC2P 2HD

**PAYING AND CONVERSION AGENTS** Benque Brussies Lambert S.A. Chees Manhattan Bank Lovembourg 24 Avenue Marribo

Chese Manhettan Bank (Switzerland) 63 Rue du Rhone CH-1204 Geneva

### Morgan Stanley Group Inc. Floating Rate Notes **Due 1993**

Interest on the above securities for the interest Period of January 13, 1988 through July 12, 1988 is scheduled to be paid on July 13, 1988 at the interest Pate of 7.6875% per aroum. The interest Amount will be \$388.65 per \$10,000 of principal.

The First National Bank of Chicago

Gordon Cramb on one of the Tokyo SE's worst performers last year

# Shiseido looks beyond the superficial

SHISEIDO, Japan's top cosmetics maker, is putting on a brave face. Its shares were among the worst performers on the Tokyo Stock Exchange last year, falling by a third. While expanding its marketing efforts abroad, the company has suffered from ion, untroubled by noises of a clogging of inventories at short-term investor anguish, home, a difficulty which has been accompanied by changes the company are all supporting our company are all supporting our decision, he says. They are Last October Shiseido warned that pre-tax profits for its reconciled to a further two and which occupies 500 of its 13,000 staff - it is seeking avenues in pharmacology and genetic engineering which would also bring applications in a new generation of cosmetics. "Probably if you go to other cosmetics companies you won't find anybody spending nearly as much," says Mr Fukuhara. Shiseido Shiseido Shiseido Shise Price(000 yen)

Y16.5bn (\$125m). Analysts slowed to barely 1 to 2 per cent had been expecting at worst a growth over the past three flat to slightly lower result, and the amountcement – the week the amountcement – the week to before Black Monday. — To combat this, the company has been broadening its basic

that pre-tax profits for its latest year, due to be released within the next few weeks, would be halved to some

Accumulation of excess stock

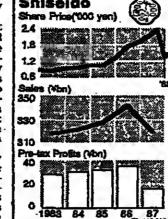
Accumulation of excess ex

prompted a sharp downward has been broadening its basic reappraisal of the company's consumer business into toilet-retreat.

The rupture in earnings stems which would gain from Japan's from the urgency with which Mr Yoshiharu Fukuhara, newly its 19th century roots as the installed as president of the first Western-style chemist in company founded by his grand-Japan, Shiseido says that its father 115 years ago, is tack-involvement in health and ling a Y300bn accumulation of beauty has always gone beyond excess stocks at its domestic the superficial.

excess stocks at its domestic the superficial.

As part of an active research
Mr Fukuhara, while reluctant and development programme to apportion blame for the piling up of goods equivalent in 5 per cent of Shiseido's Y320bo rough terms to a year's supply, sales for the year just ended 
beauty ras always gone beyond initial stages might appear to have little relevance to Shiseido's core business but where "we already see that the development will help the cosmetica side."



Acids are being cultivated by biotechnological means which act as a hinding agent. These can be used for medical purcan be used for medical purposes, for example in eyedrops:

promote Mr Fukuhara's idea of promote Mr Fukuhara's idea of promote Mr Fukuhara's idea of high technology with a human or as a salve for skin burns.

Equally, they have humectant ish sales of 55m within five or as a salve for skin burns. Equally, they have humectant properties which allow cosproperties which allow cos-metic facial creams to retain ber of outlets will have risen to

to establish restaurants, boutiques, bezuty selons and fitness centres, all under the Shiseido name. Cosmetics still bring matched what the company in more than 80 per cent of turnover but toiletries have been growing at donble-digit rates to account for some 12.5 per cent and other activities contribute the rest.

If the strategy at home is founded on diversification while reactivating cosmetics dcmand with new products, Shiseldo's international approach requires something different. Although its presence abroad covers 7,400 stores in 20 countries, and overseas sales are approaching 10 per cent of the total, the lines to be found that are restricted to the new restricted. At a new Y10bn plant the group is refining emulsified pharmaceutical products which in their initial stages might appear to have little relevance to Shiseldo's core business but where

Certainly, it is choosing carefully the company it keeps. defend with vigour – and with
Harrods won the rights to its
coveted UK launch last year,
for which the store gave over

Elsewhere, the company is In the US, where it has been using its strong domestic image since 1965, the original midwas seeking to do in Europe.

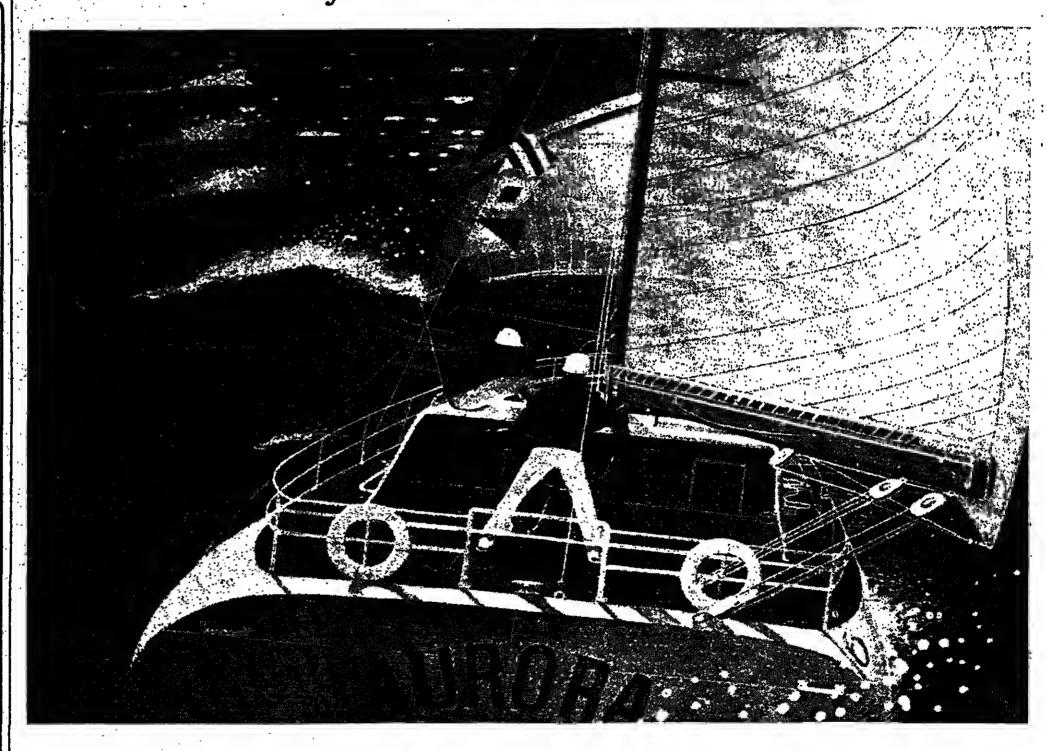
### Domestic strategy of diversification

France has brought useful con-nections with Paris couture houses - last November it joined Hermes in a venture to sell the French company's per-fumes in Japan, aiming for an initial Y500m sales this year. Just over half Shiseldo's Just over half Shiseldo's international products are manufactured abroad, in six countries, belping to shield its overseas ambitions from the appreciatiog yen. But this promotional push remains not much more than a useful adjunct to a dominant domestic position which it will have to defend with vigour—and with **APPOINTMENTS ADVERTISING** 

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Clare Pearson on changes to Swiss bond syndication rules

# Big three loosen their grip

the other two disagree whole-but the evidence so far – admittedly on the basis of the 10 working days in which the changes have been in force – a 4½ per cent coupon and 99%

working days in which the changes have been in force—now seems to weigh in favour of the latter interpretation.

The most important sign has been the refusal last week of two of the big banks, Union Bank of Switzerland and Credit Suisse, to join the underwriting group Swiss Bank Corporation was assembling for a SFr250m bond for ICI Finance Netherlands.

Further, six other members of the main syndicate, including in the Swiss franc market, Swiss Volksbank and Bank Leu, where it has not launched a also turned down the privilege of participating in a deal for one of the international capital markets' most sought-after bor-

This would have been reaction to ICI's deal could unthinkable before the liberal-establish a precedent for "negaisation of the syndicate's rules, tive reciprocity" - or put simbecause no member was then ply. "since you didn't join my allowed to refuse to underwrite a deal led by another member - in practice almost a least a precedent for "negative reciprocity" - or put simple almost a way of the process a precedent for "negative reciprocity" - or put simple a way of the process a precedent for "negative reciprocity" - or put simple a way of the process a precedent for "negative reciprocity" - or put simple a way of the process a precedent for "negative reciprocity" - or put simple a way of the process a precedent for "negative reciprocity" - or put simple a way of the process a precedent for "negative reciprocity" - or put simple a way of the process a way of the process a precedent for "negative reciprocity" - or put simple a way of the process a

Brokers' role

THE PARIS stockbrokers' association called yesterday for more precise rules on multiple capacity for securities firms, AP-DJ reports from Paris.

The request follows allegations by the Commission des Operations de Bourse (COB) of

abuses by two Paris firms, Boscher and Puget. Both firms strongly denied the accusations

in question

AMID SIGNS of strain in the in any issue they disagreed still in force, so they are dependent on the big three for a flow

MAID SIGNS of strain in the in any issue they disagreed main issuing syndicate that could uitimately change the face of the foreign bond market was taken advantage of was and a veritable flood of new bonds - 1988 has got off to an unusually lively start for bankers in Switzerland.

When changes in the rules of the main bond issuing syndicate, which cootrols about 70 land opted out of this deal, per cent of the new issues marthough it could have argued

cate, which cootrols about 70 per cent of the new issues market, were announced last though it could have argued that this was because the bor-November, no one could say whether they would prove restrictive or liberalising.

The alterations, basically allowing more flexibility to existing syndicate members and admitting oew entrants to the club, could equally as well have tightened its cartel-like grip as sown the seeds of its decline.

The picture is still blurred.

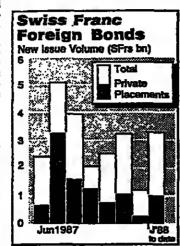
its international borrowings. However, it is a rare borrower bond since 1979. ICI itself was unable to comment on its bor-

rowing policy yesterday.

Many non-syndicate members
are keen to point out that the

BY JOSEPH MANN IN CARAÇAS

Aside from ICI's deal, advocates of the view that the main-syndicate is loosening its grip cite the absence of banks apply-ing to join since it offered to admit new members among the package of reforms last autumn. Five small banks ini-



tially lined up, but since then new entrants seem to have dried up.

Many smaller banks may see little to be gained from joining the syndicate now. This is because doing so means a bank with ambitions to be a lead manager would have to give them up since, although in the-ory any member may now lead an issue for a borrower which is not already a client of the big three, in practice opportunities are likely to be extremely lim-

ited.
It also means that banks

Latin American fund proposed

the grey market.

When the changes were originally announced, there was widespread speculation that Deutsche Bank (Suisse) would become the first foreign bank to join the syndicate. This has not occurred, although an executive at Deutache Bank said yester-day it was something that was talked about "from time to Speculation about the work-

ings of the main syndicate has mounted partly because this mounted partly because this month has been extremely fertile of new issnes, with SFr3.2bn worth emerging so far. The environment has been a weak dollar, atimulating international demand for Swiss francs, a continued drift to quality, away from the equity market, and falling Swiss interest rates.

However, an unusual number

However, an unusual number of bonds has been priced in anticipation of further interest rate falls, rather than in relation to the secondary market.
Aside from ICI, Sweden and
Credit Foncier de France,
among others, have launched deals on aggressive terms.

Pricings like this may be

further indication of height-ened tension between the big three, even though many of the deals have been private place ments where accepting a co-management within the main syndicate is optional.

Nevertheless, the big three banks have led most of the issues for sovereign and supra-national borrowers so far - an indication that though it may be becoming harder for them to syndicate their deals, the plum mandates are still falling easily

into their hands.

Banque Paribas (Suisse), by contrast, seems to have paid a a deal led by another member – yours." Taken to its logical conin practice, almost always one of the so-called "big three" – Against this, there are still counstances.

But among the bnnch of changes agreed last year, member banks won the right to turn down down co-management positions. Notably, the down co-management positions. It also means that banks which are concerned mainly to gain access to a flow of paper are not allowed to buy bonds led by outsiders. By staying outside the group, banks can participations. Notably, the both do this and get hold of prohibition on their co-management positions. It also means that banks which are concerned mainly to gain access to a flow of paper are not allowed to buy bonds outside the group, banks can both do this and get hold of entity. Its coupon of 4% per cent looked meagre and the syndicate either by becoming

REPRESENTATIVES OF five Officials say that the new Andean Pact, a regional trade South American governments, entity is not meant to replace group made np of Bolivia, Colmeeting in Caracas, have recthe IMF, but to complement its ombia, Ecuador, Peru and Veneommended the establishment of activities in Latin America and a new financial entity — called the Caribbean. The new fund the Latin American Reserve would be built on the foundations approve the Fund (Fondo Latino-Americano tion of an existing entity, the de Reservas) — designed to Andean Reserve Fund (Fondo Latino-Americano Andean Reserve Fund (Fondo Latino-Americano Andean Reservas). Which and its activities expanded to assist regional governments in Andino de Reservas), which and its activities expanded to covering their balance of pay was set up 10 years ago with cover Latin American and ments deficits.

Capital of US\$500m by the Caribbean nations

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ict it take you away from family and friends. Just pick up the phone And eel the warmth of home. Reach out and touch



### **Foreigners** rush back into shares in Japan

By Stefan Wagstyl in Tokyo FOREIGN INVESTORS have rushed back into the Japa-nese stock market, buying shares worth Y117.3bn (\$924bn) in the first week of the new year - the sec-ond highest weekly total on

It was the fourth week in a row in which overseas investors had been net bayers, after heavy sales in October and November fol-lowing the plunge in world

stock markets. Tokyo stockbrokers said Tokyo stockbrokers said they expected foreigners to continue buying Japanese shares. The new year fig-ures had been boosted by a Japanese Government deci-sion to ease rules on Tokkin funds, important domestic sources of investment funds they said

funds, they said.

However, US and European institutions, particularly companies committed to worldwide investment, were increasing their investments in Japan, recognising that it now accounted for about 49 per cent of world stock market

capitalisation.
The highest weekly figure for foreign purchases of Japanese stocks was Y140.9bn, recorded in March 1986. The totals include purchases by overseas subsidiaries of Japanese companies.

nese companies.
Figures from the Bank of
Japan confirm that foreigners have turned from net sellers into net buyers of Japanese securities. After totalling \$13.1bn in October and \$8.8bn in November, net sales of atocks and bonds by foreigners were under \$1bn in December.

The Japanese Ministry of Finance plans to ease restrictions on borrowing in the Euroyen market by resident Japanese companies.

dent Japanese companies.

The ending of a long-standing ban on medium and long-term borrowing will virtually complete the long-awaited liberalisation of the Euroyen market by the Japanese anthorities. Their restrictions had in any case been tions had in any case been almost meaningless since they were widely circum-vented through the use of

Carrency swaps.

Europen loans are yen-demominated credits given by
foreign banks and overseas
subaidiaries of Japanese
banks. Their introduction was opposed by Japan's powerful long-term credit banks, which feared that their business, based on Japan's system of conbe hurt by the spread of negotiated-rate lending.

However, short-term Europen lending was decontrolled in 1984, while restrictions on long and medium-term lending to

### Seven-year credit for Turkey

By Peter Montagne Trade Editor

STANDARD CHARTERED Merchant Bank is syndicating a \$92.2m, seven-year credit for Turkey which comprises the commercial portion of financing for the Ankare gas project won last December by AMEC Inter-national of the UK.

The loan bears interest at a margin of 1% per cent over the London interbank over the London interbank offered rate for Eurodollar deposits (Libor). It is part of a package which Standard Chartered is assembling for the project that also includes a separate UK government soft loan of up to £69.6m with a 20-year maturity and 17% new count interrity and 1.75 per cent inter-

The package is being followed closely in the export finance market because it is the first time the British Government has agreed to provide a soft loan for Turner to has allowed an tokey. It has allocated up to £31.3m from its Aid and Trade Provision to subsi-

AMEC International of the UK won the deal to con-vert Ankara's gas system to handle Soviet natural gas in namile Soviet natural gas in the face of tough competi-tion, notably from an Ital-ian consortium led by Ital-gas. It carries a basic price of \$130.2m, but the UK fin-ancing package is also intended to cover an expec-ted British Gas consultancy contract.

The deal is still subject to contract and is now expected to be signed in early February.

The unusually large UK aid element is thought to reflect the strength of the competition for the deal as well as the British Government's desire to avoid a repetition of the row that followed the award of the second Bosphorns bridge contract. This went to a contract. This went to a Japanese consortium after the UK falled to match aid payments promised

# Norway springs surprise \$500m Eurodollar issue

BY STEPHEN FIDLER, EURONARKETS CORRESPONDENT

BONDS WITH a combined value of more than \$1.5bn were ing last year of the country's launched into the international debt by one of the main US rating agencies. Moody's now of a tentative shift in sentiment rates the country at Aa1, while among international investors after the US trade figures amounced on Friday.

Nobody is convinced that the news of a \$13.2bn US trade deficit in November marks the turning point for the US dollar, but the possibility of a steadier US currency appears to have led some cash-laden international investment institutions to the decision that the time had arrived to pick up some longer-term paper.

BONDS

arrived to pick up some longerterm paper.

The US Treasury bond market rally on Friday – the 30year benchmark bond jumped Markets which had been
2% points for a gain of 4% on waiting in the wings since late
the week – provided yesterday's positive backdrop for the
Eurodollar bond market – further reinforced yesterday issue price, the issue was priced
morning by the Tokyo market's
apparent contentment with the
new price levels.

Even more reassoring was the

was absent in London and Norway decided the time was ripe to launch the largest Eurodollar who was seen so far this year. Us bonds and the prospect of a the \$500m, five-year issue, lead managed by Merrill Lynch Capital Markets, was priced bond markets. Despite this with a 8% per cent coupon and uncertainty, two high-rated a 101% issue price. This gave a yield over the five-year US Treasury note of 60 basis bank, borrowing with an Austonius, when priced at full fees.

discount within its total fees of 1%.

Norway's move came as something of a sarprise, since the country had declared its intention not to tap the international bond market this year.

The issue was a well-timed the piece of opportunism, which hit the market's mood and the bonds appeared to move very price.

The Kingdom of Sweden was the Kingdom of Sweden was the other borrower, looking to seven-year funds with a 5½ something of a sarprise, since per cent coupon and a 100½ issue price, through CSFB-Effectenhank.

But deals were thought to be tightly priced, particularly the swedish deal, which was quoted at a discount of 2½ to bonds appeared to move very

### **BONDS**

apparent contentment with the relevant US Treasury. The sevenew price levels.

Even more reasoning was the fact that in Friday afternoon's tance than the Norway issue, rally, Enrodollar bond prices. However, despite some suggestions that the bonds had been priced too tightly, the lead step, meaning that the usual manager said its within-fees hid widening of yield spreads had only attracted a few bonds. Opinions were divided on the likelihood of more dollar issues westerday for the holiday mark in the near future, but if the market tone holds, a number of syndicate managers were predicting further issues, perhaps for corporate names in shorter way decided the time was ripe.

points, when priced at full fees. trian state guarantee, launched That spread had narrowed to a five-year issue through 56 basis points later in the day, Drescher Bank, with a 5 per and the issue was quoted at a cent coupon and a 100% issue discount within its total fees of price. The Kingdom of Sweden

Prices of DM Eurobonda gen-Prices of DM Eurobonds generally were unchanged to slightly lower than on Friday, although the domestic mariest declined by up to 40 basis points from Friday's fixing. Eurobonds continue to benefit compared with domestic issues because of the proposed introduction of a 10 per cent withholding tax in West Germany.

Against a slightly firmer yen

holding tax in West Germany.

Against a slightly firmer yen bond market, Banca Nazionale del Lavoro isunched a Y20bn, five-year issue carrying a coupon of 5% per cent and a price of 101% through Sanwa international. The lead manager quoted the issue at a discount equivalent to fees.

equivalent to fees. In Ecu, Kredietbank Interna-tional launched an Ecu 50m issue for its own Netherland Antiles subsidiary. It carried a 6-year maturity, 7% per cent coupon and 100% issue price. The risk in the issue will be in Belgian francs - a conversion rate will be set four days before

the payment date.
In the buoyant market in Jap-In the buoyant market in Japanese equity warrants, two issues were isunched. Both were bank-guaranteed for \$100m, carried five-year maturities and were par priced. The issue for Intec, postponed from October last year, was through Nikko Securities and rose to a present of more than 2 per Nikko Securities and rose to a premium of more than 2 per cent, while that for Showa Electric through Datwa Europe rose to an even sharper premium of around 105.

More issues are expected in

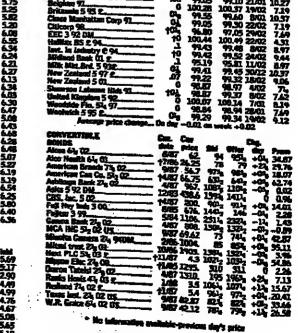
the sector, and if they continue to perform in this fashion it probably will not be long before issuers start to pressure secu-rities firms to cut the coupons. CSFB increased the sterling floating-rate note launched last week for HMC Mortgage Notes No 2, to £175m from

Yesterday saw a welcome let-up in new issues in the overloaded primary sector of the Swiss franc foreign bond market. Prices of seasoned bonds closed a touch firmer even though many investors found their attention diverted by the improving market in shares.

Among bonds traded for the first time yesterday, a SPr75m 10-year 5% per cent bond for Wuerth Finance International closed at 99%, % point lower than its issue price.

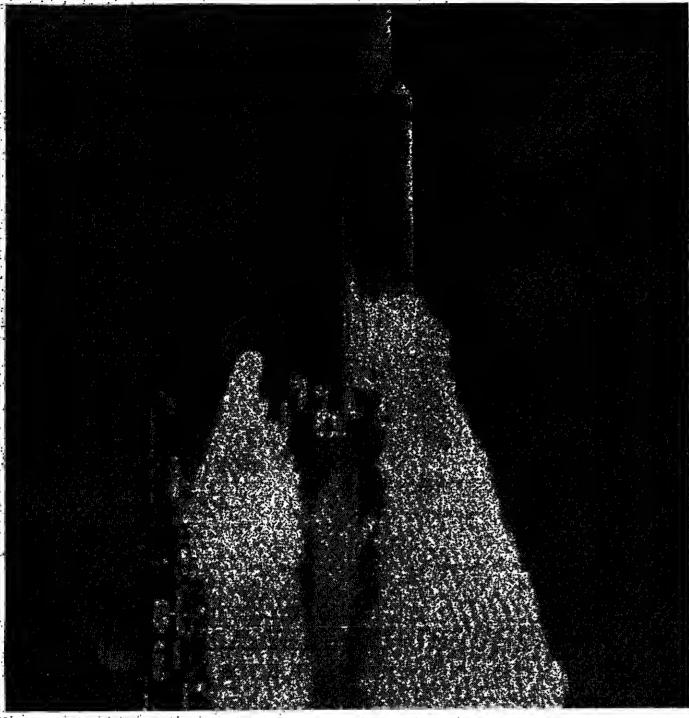
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**GROWTH IN CATERING AND TOURISM LIFT PROFITS** 

# THF beats forecasts with £180m

Trusthouse Forte, the hotels and catering group, yesterday announced pre-tax profits up by 33 per cent to £180m for the year to end of October 1987.

The profits, a head of most analysts' expectations mark The profits, ahead of most analysts' expectations, mark

the return to strength of the UK tourist trade after the dis-appointments of 1986 and the continuing growth of THF's catering operation.
UK hotels increased their

trading profits from \$87m to \$110m on turnover of \$1.78bn, up 20 per cent on 1986. The group's share of the Savoy Hotel's profits contributed £9m

North American tourists now account for only 25 per cent of London business compared with 45 per cent before the 1986 Lib-yan crisis and Chernobyl disas-ter. Mr Rocco Forte, chief executive, said this suggested the company would not be hit by US tourists' reactions to the

veakening dollar. THF's European operations remain comparatively slow with the group's French hotels

per cent increase.

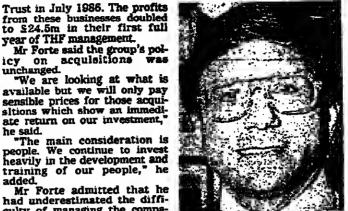
The main advance, however, was in the catering sector, available but we will only pay where trading profits increased sensible prices for those acquiby 57 per cent to £63.4m, sitions which show an immedinearly a third of the group's attentions trading profit. overall trading profit.

he said.
"The main consideration is people. We continue to invest heavily in the development and training of our people," he added.

added.

Mr Forte admitted that he had underestimated the difficulty of managing the company's US assets at a distance. The public catering business, which includes the group's roadside restaurants such as Little Chef, Happy Eater and motorway service stations.

The 71 Happy Eater restaurants were among the company's acquisitions from Hanson of the from £37m to £50m. The group increased increased from £37m to £50m. The group increased increased increased from £37m to £50m. The group increased increased



### Honorbilt remains 'on target'

Honorbilt Group, the men's clothing importer and distributor, has increased turnover from \$1.02m to \$1.89m for the six months to October 31 1987 and the directors remain confi-dent that their forecast of pretax profits of £450,000 for the

full year will be met. They report trading profit at £59,869 compared with a loss of £125,211 for the same period

The company has exchanged contracts to take over Collage of London in a cash and shares deal for an initial payment of \$155,682 and further payments up to a maximum of \$2m. Honorbilt joined the Third Market in August 1987 follow-ing the acquisition of the capital a year earlier by a company controlled by Mr Harold Till-

### **Borthwicks** offshoot sought By Michael Smith

Shares in Borthwicks, food manufacturer and trader, rose to 59p yesterday after it was revealed that a fight had developed for control of its Australian subsidiary.

Industry, food must be a fight had developed for control of its patrick Martell, a member of days when the board of Martell and Martell, a member of days when the board of Martell and Martell, a member of days when the board of Martell and Martell, a member of days when the board of Martell and Martell, a member of days when the board of Martell and Mart

developed for control of its Australian subsidiary.

Borthwicks announced plans for the sale of Thomas Borthwick & Sons (Australia) and an wick & Sons (Australia) and an house at FFr 4.57bn (£454m).

Patrick Martell, a member of days when the board of Martell the board, to discuss Grandwill have to make a recommendation to shareholders.

Seagram has not yet given any indication as to whether or associated Japanese operation to Teys Bros for £10.2m earlier this month. But yesterday Australian Meat Holdings, 25 per cent owned by Elders IXL, unveiled a counter offer worth

about \$1.5m more.

AMH has asked Borthwicks
to adjourn an extraordinary meeting called for next Tuesday to approve the Teys deal.

it says it has undrawn credit facilities which would satisfy the offer price and enable immediate completion of its own proposed deal.

Hunterprint fin 5
Jersey Electric fin 18
Knobs & Knockers int 0.67

Smith (David S.).....int Trusthouse Forte .....fin

# Berisford's new coffee outlet

group, is to establish a separate tion to legal costs and liabilities coffee trading subsidiary partially owned by senior managers.

Eerisford said, meanwhile, it

GrandMet has 'cordial'

Grand Metropolitan multiple of 28 times after tax described as "cordial" s meeting sarnings by Martell for the year it held yesterday in Cognac, ended 30th June 1988 — was France, with senior members based on the fit that GrandMet of the Martell family to discuss its latest offer for the cognac between the two companies and the companies are considered as "cordial" s meeting sarnings by Martell for the year in the companies are considered as "cordial" s meeting sarnings by Martell for the year in the companies are considered as "cordial" s meeting sarnings by Martell for the year in the companies are considered as "cordial" s meeting sarnings by Martell for the year in the companies are considered as "cordial" s meeting sarnings by Martell for the year in the companies are considered as "cordial" s meeting sarnings by Martell for the year in the cordinal statement and the cordinal statement

The bid tops by more than 10 not it will increase its offer for

Monday.

Buckley's in

Buckley's Brewery, the South Wales brewer, yesterday ammounced its first acquisition

since Mr Guy Cramer and Mr Peter Clowes took their control-ling stake just ahead of Black

The company is paying \$2.79m for Taylor Milner, a private company in Leeds, Harrogate and London, which fits out and refurbishes retail and leisure outlets. The purchase price comprises \$1.23m in cash, and 767.822 Buckley's shares which will be held by the vendors for at least two years.

The acquisition — born from a management buyont when a former company, Taylor Milner

former company, Taylor Milner Shopfitters went into receivership in the early-1980s — saw pre-tax profits of £170,000 in the year to end-March 1987, on sales of £2.7m. In the current

year, profits are warranted at not less than \$300,000 and

The company is paying

per cent the bld for Martell by Seagram, the Canadian drinks group. Family-controlled Martell had stated after the Seagram bid that the Canadian

group was its preferred owner. GrandMet said yesterday that

Mr Sheppard had confirmed the continuing involvement of the Martell family should it be acquired by GrandMet and also

given assurances about working and trading practices.

Mr Sheppard also said that the offer - which represents a

Dividends shown pence per share net except where otherwise stated. Not less than £300,000 and "Equivalent after allowing for scrip issue. †On capital increased by rights sales are expected to reach and/or acquisition issues. §USM stock. ¶Unquoted stock. ♠Third market. £4m. Shares in Buckley's eased ‡18 month period: final of not less than 1p forecast. Gross dividend. 2p to 203p yesterday.

**DIVIDENDS ANNOUNCED** 

Mar 13

meeting with Martell

S&W Berisford, the sugar The group also said it had producer and commodities taken a £3.3m provision in relagroup, is to establish a separate tion to legal costs and liabilities

ers.

In its 1987 report and considered there were no accounts published yesterday, grounds to expect any liability Berisford said that managers arising from the \$1.5m advance of the second of the s would pay \$12.25m (\$5.9m) for commission which its Erlanger their 35 per cent stake, subsidiary had repaid to Guinalthough all but \$1.34m of this ness after the Department of figure would be funded out of Trade and Industry investigation into the latter company

future profits.

Berisford said that funds Yesterday, Bsrisford would be provided to the new announced three disparate venture through intra-group investments. It is to inject \$1m loans on a commercial basis or into Ch. Papadimitriou (Haven), bank loans guaranteed by the a Greek dried fruit processor.

Berisford will receive an ini-

ucts at source. In California, Berisford Prop-erty Group and two partners bought a size in Beverly Hills on

which they are to build a \$110m (\$62m) 120,000 sq ft luxury retail development.

tial 30 cent equity stake, rising to 50 per cent when debenture stock is fully converted. The Investment will enable Haven to package its dried fruit prod-

One of Berisford's metal pro-csssing subsidiaries, Avon Metal Holdings, has paid £1.5m to Foseco Minsep for the out-standing 50 per cent interest in H.H. Wardls (Metals), scrap, aluminium smelter and ingot

cessor and exporter, intends to

cessor and exporter, intends to transform Merchants' Ware-honsing, its quoted dry storage subsidiary, into an agribusiness group with annual sales of IS100m (S89m).

Merchants shares were suspended yesterday at the company's request.

The plans were inveiled on

The plans were unveiled on the eve of today's vote by mem-bers of Bailleboro Co-operative,

a dairy co-op based in County

Goodman's takeover bid or a rival offer from Killeshandra

If its bid is successful, Good-

Mr Brian Britton, Goodman's

BY HEATHER FARMBROUGH

ing from 14.3 per cent at the end of December. Although Henderson has in

deputy chief executive for over of about 126 finance, made clear yesterday of 1215m, accord that the announcement of the plans for Merchants was nancing package.

Henderson in bid talks

Buckley's in
£2.8m purchase

By Nikki Takt

Buckley's Brewery, the
South Wales brewer, yesterday anmounced its first acquisition

Buckley's Brewery, the South Wales brewer, yesterday anmounced its first acquisition

If its bid its successful, Goodman said, Bailieboro would form the basis of Merchants' dairy division. Goodman also plans to inject its Drummond & Dolans grain division and Minch Norton, Ireland's largest maltster, into Merchants, in which it bought a 66 per cent stake last October.

stake last October.

Whether to

BY CLAY HARRIS

# Murdoch stake in Pearson at 20.57% after purchase

Lankro Chemicals, a Man-chester-based manufacturer chester-based manufacturer of speciality chemicals.

H&C acquired 75 per cent of Lankro through the purchase of a private company which bought the stake for an undisclosed price from Diamond Shamrock, the US emergy group, in May 1986. It will offer the same terms for the remaining shares which have been owned by employees for nearly five years.

The acquisition brings H&C'e rapidly expanding chemicals division closer to comprising half of group sales and profits. Its products include chrome and zinc chemicals, iron oxide and aluminium chloride.

H&C pays

more than

Harrisons & Crosfield, diversified plantations

group, is to pay more than \$30m in cash and shares for

£30m for

Lankro

By Clay Kerris

sinc chemicals, from oxide and aluminium chloride.

Mr George Pani, H&C chief executive, said yesterday that the purchase had "strong industrial logic arising from our complementary positions in polymer additives and surfactunts and also from the scope for sharing the technology of both companies worldwide."

Lankro's other products include polymethanes and radiation caring chemicals used in high-performance inks. It estimates pre-tax profits of at least \$3.9m on sales of £70m in the year to November 30 last and essets of £19.4m.

H&C is offering shares,

R&C is offering shares, H&C is offering shares, valued at 568p, cash or unsecured lean notes. Of the 75 per cent holding which H&C has already bought, about half of the consideration was taken in shares, involving the issue of about 2m new abares.

company in which they were being offered shares.
Goodman, the largest meat processor in Europe, plans to put all non-meat interests into Merchants, which will be renamed to reflect its food activi-

amed to reflect its food activi-ties. In the year to last June 27, Merchants reported pre-tax profits of 1£361,000 on sales of

The takeover battle for Bail-

leboro has been bitterly con-

financial terms. The vote today by Bailieboro members meeting

about IS 10m.
Bailieboro bas annual turn-

over of about 1260m but debts of 1215m, according to Good-man, which has lined up a refi-

Transformation planned

Goodman International, the intended to illustrate to Bailie-privately-owned Irish meat pro- boro members the diversified

for Goodman offshoot

# THE STAKE held by Mr Rupert tion to stay at 20 per cent Murdoch's News Corporation because of the possibility of In Pearson, the diversified equity accounting. As long as Mr Murdoch keeps his stake in Pearson at 20 per cent following the purchase last week of a 4.9 per cent block of shares from Italian businessman Carlo de Benedetti. day that Mr Murdoch was prepared to put his comments that he has no intention of trying to mount a full blof or Pearson in rules allow him to consolitate that proportion of Pearson in Speaking in Aspen, Colorado told the Financial Times that he and loss account.

ian businessman Carlo de Benedetti.

Pearson said yesterday it had been notified of the purchase of 560,000 shares by News Corporation on Thursday and a further purchase of 450,000 shares on Friday.

According to the company's share register Mr Murdoch now holds 44.2m shares out of a total issued share capital of 214.8m.

Mr Stehrenberger said yesterday that if the Pearson shares were diluted through the planned £88m cash and shares purchase of Les Echos, the French daily business newspaper, "we will have to look at it to see whether we need to buy some more."

The News International Finance director added: "It is our intention to equity

International finance director, sald yesterday. It is our inten-

pared to put his comments that he has so intention of trying to mount a full bid for Pearson in writing for the Takeover Panel

Last week, Mr Murdoch, speaking in Aspen, Colorado told the Financial Times that he had no mention or ability to make a takeover offer ( for Pearson ) in any way, shape or

He added : " We will never to above 25 per cent. I don't see it ever being possible to take ever the Financial Times."

olds 44.2m shares out of a some more. Any stake above 25 per cent some more. The News International would lead to a reference to the Monopolies and Mergers Commercational finance director, account. Mr Stehrenberger said yester-laid yesterday. This our international members account. Mr Stehrenberger said yester-laid to a reference to the Monopolies and Mergers Commission because of Mr Murdoch's existing five national newspapers in the UK.

# Hillsdown in £11.3m disposal

Evershed and Son, for £11.3m

Cash.

The joint buyers are Booker, the agribusiness and health products group which already takes in major wholesale food distribution operations, and Circle K, the US-owned convenience store operator. Booker will take on the wholesale business; Circle K is buying the 36 retail cutlets plus eight franchised stores. The outlets will become part of Circle K's 180-strong chain of convenience stores in the UK, which, it claims, makes the company the leading retailer of this type in Britain.

According to the Elam Using more recent 1987 information, however, Booker, expects to end up with an engoing wholesale business whose total sales are just under £34m - £21m going to caterers and independant retailsrs and \$12.5m to the stores to be owned by Circle K, which will continue to be serviced by Booker.

Booker is putting up £4m of the purchase price; this figure, however, also includes a wholesale business supplied and the stores to be owned by Circle K, which will become part of Circle K's 180-strong chain of convenience stores in the UK, which, it claims, makes the company the leading retailer of this type in Britain.

According to the last £2.7m.

Hillsdown Holdings, the reported figure – for the 48 food, furniture and property group, yesterday announced that it is selling a wholly-owned convenience store and wholesale distribution subisidiary, J. Evershed and Son, for £11.3m Using more recent 1987 information, however, Booker, the agribusiness and health products group which already takes in major wholesale food distribution operations, and Circle K, the US-owned convenience for the 48 food from the retail outlets and franchised stores are put at around £25.6m, and had net assets of £25m a year.

Hillsdown has held a 27 per cent cent interest in Evershed for a decade and acquired the outstanding equity about two years ago. However, the food group says that the retail side total sales are just under £34m area, and developing this could be Gward by Gward its existing high street custom-

This agreement will allow Evershed's businesses to develop free of any conflicts of interest." said chalrman, Mr Harry Solomon. He declined to disclose the profit which Hillsdown has made on the deal beyond saying that it is "sub-stantial" - or the purchase price for the outstanding Evershed equity two years ago.

# Sun Life bond leads sales success

Sun Life Assurance showed intermediaries, said Mr Richard 'from \$123.5m to \$234.9m.

Sun Life Assurance showed a 182 per cent jump in its new life and pensions business to \$289.9m last year, mainly because of the success of a single premium unit-linked investment bond which it launched in February.

The product, Sun Life's Limited Anniversary Bond, drew in a total of £234m, of which its new single per cent included x 90 per cent jump in about 80 per cent represented sales arranged by independent sions business, which grew from \$123.5m to \$234.9m.

The group's new annual premiums grew 17 per cent to \$62.7m. New business for Sun Life Trust Management, the group's unit trust subsidiary, also increased substantially, with gross sales up 50 per cent to \$207.5m. Sun Life did not give a figure for the extent of included x 90 per cent jump in last October's stock market crash.

# Bremner verdict today

have to wait until three o'clock announced that he had co-opted today to find out wbether three new directors Mr Erie shareholders have voted to Pearce Mr John White and Mr remove him from the chairman. Chris Adams at a board meeting ship of Bremner, the Glasgow- on Sunday.

by Bailieboro members meeting at Carrickmacros, County Monaghan, will affect the dairy industry in seven counties in the north-east of the Republic.

In December, Goodman mounted a Press campaign which prompted Bailieboro members to reject Killeshandra's original Elm offer. The rival bids are now both worth about El0m. a poll on the vote to remove him and two colleagues and replace bim with Mr Dennis McGuinness, chairman of Carswell, the Glasgow stockbroker. But after a five and-a-quarter hour meeting, there was not further EGM in March when, if time to count the proxy votes yesterday, although the vote on the adjournment indicates that Mr Rowland-Jones is likely to be defeated.

However, Mr Rowland-Jones lived up to his record of produ-

ship of Bremner, the Guinness disputes
After being defeated in a motion to adjourn yesterday's extraordinary meeting by 6.2m votes to 2.3m votes, Mr Rowland-Jones eventually called for a poll on the vote to remove him and two colleagues and him with Mr Dennis

### MS pension fund lifts stake to 6%

The pension fund at MS Inter-national raised its stake in the

national raised its stake in the mining equipment and defence electronics group less than a week before the company found itself the target of a hostile \$25.1m takeover bid from Dobson Park Industries.

Although the fund's investments are directed independently, by stockbrokers McCaughan Dyson Capel-Cure, and its latest purchase was relatively small, the 6.08 per cent stake in friendly hands will make Dobson Park's task more difficult.

The MS fund is unlikely, how-

The MS fund is unlikely, however, to buy more shares simply to keep them away from Dob-son Park, which launched a cash-and-shares bid on January

MDM Investments, trustee for the MS fund, bought 100,000 shares on January 8 to increase the fund's stake from 5.69 per cent. The purchase returned its holding to the level prevailing before MS issued shares in October to buy the precision

before MS issued shares in October to buy the precision engineering activities of Abraham Engineering.

The latest acquisition has already shown a gain of more than £40,000 at yesterday's market price of 110p.

The National Association of Pension Funds is due to report shortly on such "self-investment" by pension funds. Its study was prompted in part by share purchases by the pension fund at Bryant Group during the housebullder's successful defence against English Chins Clays last January.

# Freemans hits at Sears

Henderson Group, industrial doors and security products company in which Evered Holdings has a stake of 23.6 per cent, said yesterday that it had held talks about a possible sale of the company with Newman Tonks, building suppliers.

Mr Angus Clark, joint managing director of Henderson, said that the company had continued to talk to Newman Tonks, said yesterday: "Henderson is a company we have always followed and still do; sadly previous talks have been inconclusive."

Henderson and Newman acquisitive Abdullah Brothers, increased its stake.

Mr Timothy Frankland, chairman of Newman Tonks, said yesterday: "Henderson is a company we have always followed and still do; sadly prsvious talks have been inconclusive."

Henderson and Newman Tonks clashed in 1985 over a takeover bid for Midiands building products company R

building products company R Cartwright, which was eventu-ally won by Newman Tonks. The two companies have overlapping interests
The Henderson board is thought to be concerned that a bid from Newman Tonks could be the prelude to a higher, unwelcome offer from Evered.

Freemans, the mail order group on the receiving end of an unwanted \$477m cash offer from retail giant Sears, yesterday accused the bidder of "exploiting what it sees as an unusual short-term opportunity to acquire Freemans for less than its real worth."

In a further strongly-worded letter to shareholders, Freemans' chairman, Mr John Brooman, asks investors to "reflect on how much it would cost Sears or any other retailer for that matter to establish from scratch a mail order business of Freemans' quality."

The target company mainting the forecast for the year to end-Jannary — Company mainting the profit forecast for the year to end-Jannary — Company mainting the profit forecast for the year to end-Jannary — Company mainting the year to end-Jann

### David Smith advances 53% to £14.5m BY MAGGIE URRY

A COMBINATION of organic growth and acquisitions lifted pre-tax profits at David S Smith (Holdings), paper and packaging group, by 53 per cent from \$9.5m to \$14.6m in the six months to end-October. Sales were 38 per cent shead at A COMBINATION of organic growth and acquisitions lifted pre-tax profits at David S Smith (Holdings), paper and packaging group, by 53 per cent from \$9.5m to \$14.6m in the which will increase capacity by six months to end-October. Sales were 38 per cent ahead at \$130.1m.

Mr Brewster said that a constraint on the business had been a shortage of capacity. A few sheet, feeder machine is to be brought on stream in April which will increase capacity by 45 per cent. The St Regis paper mills, acquired in June 1986, had also been operating at full capacity and margins were ris-

executive, said that the newly-acquired businesses - Corrugated Products, Ssvernside Waste Paper, Hollins paper mill, and the previously 40 per cent-owned A A Griggs - contributed \$2.5m to operating profits of \$15.3m.

Capachy and margins were rising.

The six packaging companie have been grouped togethe under Mr John Bence who joined the board in December.

Looking to the future, M Brewster said the second hall has started well and demand Mr Richard Brewster, chief

Operating profits from the businesses already owned rose by 20 per cent. Volumes throughout the business had been strong, said Mr Brewster, with corrugated board volume for example, up 6% or 7 per cent. Price increases had been less important, adding 3 per. cent or less to sales.

capacity and margins were ris-

The six packaging companies have been grouped together under Mr John Bence who Looking to the future, Mr Brewster said "the second half has started well and demand from industry for our products remains strong." He revealed that negotiations to acquire-businesses in the publishing and exhibitions area, to provide a third activity for the group, ere progressing.

After a tax charge estimated at 35 per cent, earnings per share rose by 59 per cent to



Shortage of capacity" 13.8p and the interim dividend is raised by 20 per cent to 2.1p. ● comment

David S Smith's determina-

tion to be a dominant player in specialist fields, using the latest technology, has done it no harm in the buoyant trading conditions of recent years, it should stand it in good stead if conditions become less buoyant as well. With more benefits to accrue from St Regis, full contributions from the newer businesses and continued growth from the old, there is plenty going for the company. Debt of £15m in the balance sheet is easily managed while the strong cash flow should cover the £20m investment programme. Thus the group has scope to special some in the property of the group has the \$20m investment cover gramme. Thus the group has scope to spend a fair amount on its expansion into the new areas, while the stockmarket crash should ensure that prices have fallen during the search. Pre-tax profits for the year should reach \$30m, np from \$24.2m last year, giving a justifiable p/e of 12.8 on the shares at 359p, up 11p yesterday.

### This appeared appears as a matter of record only.

HALIFAX BUILDING SOCIETY

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PROFITS FROM CONTINUING OPERATIONS RISE 30%

# Confident ASDA moves ahead to £95m

ASDA-MF1 Group, the superstore chain, yesterday reported a rise in first helf pre-tax prof-its from \$86.1m to \$94.8m. Sales in the 28 weeks to mid-November were 11.1 per cent ahead at \$1.5bn.

Mr John Bardman, chairman, said he was "confident that the outcome for the year will show a very satisfactory increase."

Last autumn, the group sold its dairy division. Operating profits from the continuing businesses - ASDA itself and Allied Carpets - rose by 29.4 per cent to \$70.8m. The businesses sold contributed \$19.9m

Mr Hardman said that the results showed the success of ther four openings in the section of the strategy adopted by ASDA had significantly lost its direction and momentum as a retailer.

The strategy is to recreate ASDA as a national retailer in the UK."

Sales within the ASDA business within the ASDA business were business when the strategy is to recreate at the success of the four openings in the section of half would take the total to 50. The group has net cash of £290m compared with share-holders' funds of £860m. Capital expenditure in the current by the strategy is to recreate a some of the Gateway superators, should Barker & Dobson's bid for Dee Corporation of £284.6m relations of £286.0m.

Five new stores had been opened in the period and a further four openings in the second half would take the total to 120. Plans are for 15 new stores in 1922.90

the dairy division were per cent came from new stores, included until August 22. On 3.3 per cent from volume were 38.7 per cent up at November 16 MFI ceased to be growth in like-for-like stores \$79.5m and operating profits wholly-owned by ASDA but a and only 1.1 per cent from 20 per cent higher at \$4.8m. Ten stores would be opened retained.

Five new stores had been within the financial year bring-

ASUA as a national retailer in the UK."

Sales within the ASDA business rose by 13.5 per cent to \$100 per ce



success of current strategy

### DC Cook up 30% at £2.44m

Sal

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11

D C Cook Holdings, USMquoted motor distributor, raised pre-tax profits 30 per cent from \$1.88m to \$2.44m in the six months to Octo-ber 31 1987.

ber 31 1987.

The company, the UK's largeat Nissan dealer, deciared a maiden interim dividend of 0.95p. Earnings per 5p ahare worked out at 6.87p (5.87p) net basis and 6.66p (5.57p) fully diluted. Sales rose from £47.59m to £64.3m and tax from £659,000 to £554,000.

The company's garages

The company's garages had substantially increased their sales of used cars and expansion of the group network had enabled the car hire and contract hire divi-

aions to operate in addi-tional markets.

The period under review had also been the property division's most successful for aourcing sites for oil companies and fast food operators and the profits arising from these transac-tions would be reflected in the second half.

# Knobs & Knockers at

tain of the assets of Beaver Construction Supplies, which trades mainly as an architectural hardware distributor, for an initial cash sum of \$1.56m. Two further cash payments of £500,000 and £600,000 are payable in July 1988 and January 1989

respectively.

Beaver had pro-tax profits
of £700,00 in the year ended
December 31 1987.

Knobs & Knockers said

the acquisition wouldenhance its contract divi-sion and extend the product range in its shops. It was confident that the combination of the two businesses would provide exciting prospects for growth. Earnings per share in the six months to end-September 1987 were 1.72p. An interim. dividead of 0.67p is

The directors said that since flotation all divisions had continued to make sathad continued to make sat-isfactory progress. As stated in the prospectus the company had benefited from the sale of two prop-erty investments. Profit of £131,679 was shown as an extraordinary item in the

# Cash resources boost Goode Durrant

INTEREST INCOME from Goode Durrant's substantial cash resources helped the financial services, trading and

financial services, trading and property group master a \$3.53m rise in profits for the year to November to £6.39m pre-tax.

Reflecting the effect of two major share issues in the last year, earnings per share grew more modestly, rising from 7p to 11.7p. Group inprover climbed by nearly a half to £133.65m (£91.47m)

The most impressive contribution to profits came from the financial division, which made £3.63m at the pre-tax level against £1.07m.

This included £1.6m interest generated on last years £21m cash injection from Mr. Bruce Judge, the New Zealand entrepreneur whose holding in

ungeared.
Also under the financial cap-

Also under the financial caption was a profit of some \$500,000 generated from Goode's investment activities. The figure was struck after making full provision for unrealised losses during the period under review; following further sales, the investment portfolio is now worth \$3.5m, against \$8.04m at year-end. Goode said that its trade finance profits doubled last finance profits doubled last year, in response to the buoy-

ant South African economy, while growth in straightforward banking services was "substantial".

Motor operations made £794,000, the first contribution

against \$1.07m. While growth in straightforward banking services was generated on last year's \$21m cash injection from Mr. Bruce Indge, the New Zealand entrepreneur whose holding in the south African economy, while growth in straightforward banking services was more than halved since September, when Mr Judge reduced his holding to its present level by the April 30; a rerating would means of a placing at 235p. The require imaginative deployment reason is not simply that the

Goode now stands at 19 per ity following the acquisition of the market is awash with cent. With cash of \$25.17m in Laidlaw in Jnly. Laidlaw's unwanted Goode stock, follow-the balance sheet, Goode is results were included for two ing the placing and the earlier ungeared. months.

Profits from housebullding Sentiment was soured when the and construction rose from £674,000 to £1.04m. International trading profits declined from £1.11m to £926,000, principally as result of a downturn in world tea outpot last year.

The company is changing its comstances. It is unlikely that vertered to April 30 and for the vector of the part of the carrier share issue to pay for Laidlaw. Sentiment was soured when the chairman, Mr Michael Waring, disposed of a tranche of shares on the Friday after Black Monday. In the paying the chairman, Mr Michael Waring, disposed of a tranche of shares on the Friday after Black Monday. year-end to April 30 and for the yesterday's superficially excel-12 months to November is pay- lent figures will be enough to ing a dividend of 2.75p (2.5p) reverse investors' apprehen-with the promise of a final of at sion, since so much of the growth in the year to November came from interest, investmen income and the South Africa

# Dalepak falls 42% as growth trend slows

Dalepak Foods yesterday received in its flotation in May reported a 42 per cent drop in profits to 5357,000 before tax in the six months to end-Octo-Dalepak Foods yesterday ber. The company is the biggest supplier to the British gril-

Isteak market.
Sales during the period rose Sales during the period rose by 8.6 per cent to \$10.02m, which - according to Dalepak -represents volume gain only, with no price increases coming until November. Its share of the grillsteak market at the end of the period stood at 30.3 per cent, compared with 27.4 per cent, year earlier. Knockers at

£203,000

In its first set of results since joining the Unlisted Securities, Market in June, Knobs & Knockers, home accessories retailer and residential estate agency, has reported interim pro-tax profits of £203,000 on turn-over of £3.8m.

It also announces the acquisition of stock and certain of the assets of Beaver.

on two factors. First the slow-down in growth in the gril-

£80,000 from interest on the considerable improvement deposit of application cheques the second half.

has been appointed chief execu-tive. Of Dalepak's two former

comment

a year ago. Short-term, the 14. That looks pricey for the company should see some relief present.

on two factors. First the slow-has been appointed chief execodown in growth in the grillateak market adversely joint managing directors, Mr
affected trading profit because 
production costs were geared to 
higher sales. The second factor 
was the increase in manufacwas the increase in manufacwill take responsibility for 
tirring beef prices — largely 
R&D. limited. The company says that some new concepts - beyond just extending the grillsteak The interim dividend is held at 0.9p a share, however, and Dalepak says it has reduced overheads in line with slower sales growth and implemented price increases ahead of competitors to reflect the higher raw material costs.

These steps, and the introduction of new products this month are expected to ensure a considerable improvement in

### Harmony Leisure grows Real Time down 22%

Harmony Leisure Group, the £86,000.

pub and restaurant operator The directors said that sales which came to the USM in in October and November were which came to the USM in in October and November were December 1986, boosted pre-tax steady and the December figures of the St. 109,000 on turnover up from \$2.109,000 on turnover up from \$2.11m to \$2.91m for the 26 weeks to September 30 1987.

This compares with profits of \$260,498 (\$12,234) for the 15 restrictive covenants, to being months to March when group turnover was \$5.05m (mil).

For the six months under review earnings per 5p share rose from 0.21p to 0.7p after tax of \$18,000 (\$14,000). Net yield the profit stream expecinterest rose from \$25,000 to

FUTURE DATES

takeover front over the past 1:

quoted group fell 22 per cent to cantly different ontcome for £287,000 on turnover down from £2.27m to £1.59m. After tax of £76,000 (£101,000), earnings per 5p share dipped to cantly different ontcome for the year as a whole. However, Mr Carrell said that orders were in hand from several pagainst 2.9p last time.

### Brooke Tool well up

On the back of a £5m rise in turnover to \$17.7m Brooke Tool Engineering (Hildings), which has been busy on the

### THE DECISION to add IBM's Mr Byron Carrell, chairman electronic point of sale systems said that the change in product to its own range of similar direction had again hit equipment continued to affect short-term revenue and costs as

revenue and trading profits at the group assimilated the IBM Watford-based Real Time Con-range and reshaped its organi-Taxable profits of this USM- unable to forecast a signifi-

### **BUK Paper**

BUK Paper (Holdings), the holding company that operates Bowater United Kingdom Paper Company, is changing its name to UK Paper.

months or so, saw its profits advance from \$1.21m to \$1.7m pre-tax for the year to September 30 1987.

Tax rose to \$583,000 (\$2418,000) leaving earnings per 5p share at 3.5p (3.4p). A final dividend of 1p raises the total from 1.45p to 1.675p.

To When 22 the 23 the 23 the 24 the 25 the results of the total from 1.45p to 1.675p.

### Expansion programme sees Evode rise 15% to over £6m

By Heather Farmbrough

ACQUISITIONS and disposals helped boost margins at Evode Group, adhealves, paints and plastics group, for the year to September 30 and resulted in record pre-tax profits of \$6.21m, 15 per cent higher than in

the previous year.
Substantial vulume increases in the adhesives and scalants divisions and in industrial markets were responsible for an increase in turnover of 10 per cent from \$86.8m to \$95.8m.

Supra, a supplier of auto-motive sound deadening and components acquired in January 1987 for \$14.9m, has been consolidated on a merger accounting basis, and included for a full year. and incinced for a run year.
It contributed \$2.3m to
profits (\$1.7m), beoeffting
from loss elimination in two
subsidiaries and strong performances in paints, chemicals and automotive components.

Evode's ndhesives and sealants division increased profits by over 15 per cent from \$1.91m to \$2.2m on thrhover of \$36.67m (£32.65m).

Turnover of \$5.3m (£9.5m) was reported for the roofing and insulation

division np to its sale at the end of May.

Strong volume growth in powder coatings lifted prof-its from \$910,000 to \$1.2m in the industrial coatings division on investors.

division on turnover of \$12.2m (\$10.4m). However, Evode's plastics division suffered from higher polymer prices and profits fell from \$760,000 to \$663,000 although turn-over rose from \$17.5m to

\$23.1m.

"Trading in the first quarter has been very satisfactory," axid Mr Andrew Simon, ehairmen, "in an ideal, setting and in the state of the st ideal world, we intend to carry on changing over 1988, with acquisitions pro-viding the thrust of the

group'a development."

Evode's gearing ia just under 10 per cent following last year's rights issue.

"Our easb flow should enable us to finance growth internally," added Mr

Capital expenditure amounted to \$4.5m over the year and is expected to be around \$5m this year.

Tax took \$2.24m (\$2.18m)

and minoritles £139,000 (£61,000) leaving hasic earnings per share of 12.27p (10.37p) and fully diluted earnings of 11.4p (9.69p).

A final dividend of 3.24p is proposed making 4.44p (3.86p) for the year.

### comment Evode's growth may owe

a fair amount to a pretty aggressive acquisition pro-gramme last year, hat if Snpra is indicative of the rest, the future bodes well. There is also a strong ele-ment of atrategie logie behind the recent moves to bniid up the more speci-alised coatings and automo-tive components busi-neases. The roofing business, which no longer business, which no ionger fitted into the group's changing operations, performed worse than analysts were expecting, so the sale looks timely. The recovery phase is probably over, but Evode's management is competent and should be able to handle long term growth. Profits this year should reach \$8.8m, which values the abares on a prospective p/e of 12, which is bigh enough in the short term.

# Hunterprint grows 37% to £5.89m on strong sales

slon in taxable profits to

to group turnover. The divising benefited from the growing use of "specialogues" by mail order companies, and by msgazine contracts won, including More from EMAP and ES and Biz from Associated Newspapers.

The special products division increased sales by 49 per cent with the help of novelties like British Gas's "scratch 'n sniff" card to help customers identify the smell of a gas leak.

Financial printing sales

Hunterprint yesterday would only come through in announced a 37 per cent expan- 1988. Pre-tax profits were struck \$6.89m for the year to Septemafter an exceptional debit of ber 27 - its 22nd consecutive \$252,000 relating to closure

year of increased growth.

All four divisions showed higher profits. The commercial printing division has been renamed the magazine and catalogue division and remsins, after a 45 per cent sales increase, the largest contributor to group turnover. The division the growing use the profit of from last year's £4.3m, whilst sales increased 29 per cent to £90.9m (£70.3m) and after a reduced tax charge, fully diluted earnings per share were to group turnover. The division to group turnover. The division are final dividend of 50 per cent in the growing use the profit figure was up from last year's £4.3m, whilst sales increased 29 per cent to £90.9m (£70.3m) and after a reduced tax charge, fully diluted earnings per share were the profit figure was up from last year's £4.3m, whilst sales increased 29 per cent to £90.9m (£70.3m) and after a reduced tax charge, fully diluted earnings per share were the profit figure was up from last year's £4.3m, whilst sales increased 29 per cent to £90.9m (£70.3m) and after a reduced tax charge, fully diluted earnings per share were the figure and the figure was up from last year's £4.3m, whilst sales increased 29 per cent to £90.9m (£70.3m) and after a reduced tax charge, fully diluted earnings per share were the figure was up from last year's £4.3m, whilst sales increased 29 per cent to £90.9m (£70.3m) and after a figure earning per share were a figure earning per share earning earning per share earning earning

The directors are recommending a final dividend of 5p (3.75p adjusted) making a total of 7.06p (5.25p).

These results were ahead of expectations - especially if the exceptional item is stripped out - and the shares jumped another 10p to 375p. Hunterthe smell of a gas leak.

Financial printing sales increased by 13 per cent, with the help of contracts such as the BP and British Gas annual reports. Hunterprint subsidiarles now print the annual reports of more than 130 public companies. But Mr Micheel Hunter, chairman, said that the reports of more than 130 public companies. But Mr Michsel Hunter, chairman, said that the stock market crash had slowed demand for some of the overnight printing services offered by the division.

The business forms division increased sales by 23.5 per cent—with the help of the acquisition of Hardy Printers in April 1997. Mr Hunter said the full benefit of recent investment in the division's capital equipment

### Braemar helps S Wood return to profitability

S.W.Wood, which was the subject of a reverse take-over on September 1 1987 by Braemar Commodities, has swung Mr Peter Rae, Mr P S Brown back into profit. In the six and Abacus, a company associmonths to September 30 1997, the company had pre-tax profits of \$406,000 compared with losses of \$157,000 in the corresponding period of the previous year, and year-end losses of \$282,000.

The directors said the accusion of the processing business as S.W.Wood, which was the chairman of S.W Wood, Mr S W.

The directors said the acquiition of Braemar had resulted in a significant return to profitin a significant return to profit.

ability. The outlook for the rest of the year was sald to be extremely good, and the company was confident that it months climbed from \$6.71m to would resume payment of dividends for the first time since 1985 at the year end.

Last September's complex Stated earnings per 20p share deal resulted in the former were 4.5p (loss 2.7p).

ing non-ferrous merchanting and processing business at Bow, east Londoo and Hainault (Essex) to Quireprice, a company indirectly controlled by Mr Wood.

Parkfield buys

Parkfield Group, the acquisi-

tive mini-conglomerate, is mov-ing into satellite TV receiver

distribution via the acquisition of Micro-X.

Although Parkfield says the market for satellite TV is still embryonic, it quotes estimates that the UK market will be

worth \$100m a year by 1995. Accordingly, Parkfield has decided to enter the field at this

Parkfield is paying initial consideration of £1m in cash for Micro-X, which had pre-tax profits of £230,000 on sales of £1.9m in the nine months to December 31. A further £5.5m in cash will be payable, dependent on future reafits.

Nationwide Anglia

£300,000,000

dent on future profits.

into satellite

TV market

### Burndene improves to £3m

Burndene Investments reports an increase in pre-tax profits from £2.05m to £3.01m on turnover of £23.37m, against £19.92m, for the year to September 30 1987. The company produces caravans and mobile homes, and hosiery. A final dividend of 4p (3.5p)

is proposed making a total of 5.5p (4.75p). Earnings per share were 20.37p (19p). Mr D T Caldow, chairman,

said prospects were good and that caravan turnover would probably rise by 20 per cent in the current year. The company is seeking authorisation at the annual meeting to purchase in the market up to 10 per cent of its issued share caoital.

### **Monument Oil**

ombard, Odier & Cie, a private Swiss bank, yesterday said it had acquired a 12.96m ahare, 29.54 per cent stake in Monzment Oil & Gas, a small independent oil company, on behalf of investment clients which it did not specify. Monument shares yesterday rose from 12p to 171/2p.

# road to rail

A 96,000 sq.ft. superstore for Asda at Pilsworth Road, Bury the first phase of a retail park being developed by Interland Estates – is worth £3.7m and an office refurbishment project for W. & T. Avery, Smethwick, is worth £1.6m.

Floating Rate Notes Due 1996 (Second Series) (Issued by Nationwide Building Society) Interest Rate: 8.6425's per annum

early stage.

18 February, 1988 Interest Amount per £5,000 Note due 18 February, 1988: £36.60 Interest Amount per £50,000 Note due 18 February, 1988: £366.01

Interest Period:

16 January, 1988 to

Agent Bank Baring Bruhers & Co., Limited

### RELAND U.S.\$50,000.000 Floating Rate Notes due

July 1992 In accordance with the provisions of the Notes, notice in hereby given that for the six months interest period from 19th January, 1988 to 18th July, 1988 the Notes will carry an interest rate of 7% per cent per annum. The relevant interest Payment Date will be 18th July, 1988 and the Coupon

### NOTICE OF REDEMPTION

The following companies have notified distors of board meetings to the Stock Exchange. Such recology are usually held for the purpose of conscissing distords. Official hosforthers are not available as to whether the dividends are internal or times and the sub-devisions shown below are bessed menty on test year's fire-stables.

TODAY
Intoline— Adecene, Clarke Hooper, Marthew
Clark, Statton House, Gold Fields of South Africa,
thisropion ladis, Outney Communications, Starley
Latinse.
Finale—Angile Television, Blok, LPA Inch., Meld-rum Mr. Tel., Soundtrees, Window Secs.

BOARD MEETINGS

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D. C. ("IBRD")

(a) IBRD 8,5% Japanese Yen Bonds of 1981 Due 1996 (Thirteenth Series) (the "Thirteenth Series Bonds") We hereby notify holders of the Thirteenth Series Bonds that on March 2, 1988, the entire outstanding amount of such Bonds is to be redeemed pursuant to Condition 17 of the Thirteenth Series Bonds by IBRD exercising an optional redemption right (optional redemption price; 102%).

(b) IBRD 8.6% Japanese Ven Bonds of 1980 Due 1995 (Eleventh Series) (the "Eleventh Series Bonds") We hereby notify holders of the Eleventh Series Bonds that on March 22, 1988, the entire outstanding amount of such Bonds is to be redeemed pursuant to Condition 17 of the Eleventh Series Bonds by IBRD exercising an optional redemption right (optional redemption price: 102%).

Paying Agents:
With respect to definitive bonds, the principal of and interest on the Eleventh and Thirteenth Series Bonds is payable at any of the paying agents mentioned thereon. With respect to recorded bonds, the payment shall be made at the paying agent designated in the application for the recording on the Eleventh and Thirteenth Series Bonds.

The Industrial Bank of Japan, Limited as Representative Commissioned Company for the Eleventh and Thirteenth Series Bonds

January 19, 1988

### CONTRACTS

Bank Laumi(UK) ... Hey & Croft ..... Londo ....... Maldrum inv.Tst .... Rentald

# Pumping equipment orders

WEIR PUMPS has been awarded four orders, worth over £8.5m, to supply pumping equipment to three water authorities in England. All four contracta were won using Weir's vertical bowl-type pump configurations. The company will also provide associated mechanical and electrical equip-ment and will be responsible for installation and commissioning on site.
The projects were won by

Weir's water industry team based at Alloa. All the pumps will be manufactured at its Glasgow plant, with motors for two of them being made at Alloa.

the Severn Trent Water Author-lty order is the provision of August 1989. submersible motors to drive the three pumps. The equipment will be installed as part of the Hilton borehole source moderni-sation, forming part of the Wol-vehampton water supply devel-opment acheme, to deliver water to Nurton and Bridgnorth

to lift water from the River Lee key Komur Isletmeleri Kurumu to fift water from the River Lee into William Girling reservoir.
Six pumps will abstract water from the River Tamar for South West Water at its Tamar pumping station at Gunnialske and pump it via a 1000mm main to Crownhill water treatment works at Plemouth works at Plymouth.

A contract, worth \$2.5m, has been won by the Bradford-based TOTTY BUILDING GROUP from Calderdale Metropolitan Borough Council in connection with extensions to Brighouse High School. The order involves the construction of a two-storey and single-storey block, a link block to the existing building and extensive external works. Completion of

> Mining gear for Turkey

key Komur Isletmeleri Kurumu of Ankara, the Turkish equivalent of British Coal, is for ix 160 kW (215 hp) and 3 x 160 kW drive units and structure. The equipment will complete the conveying system installation at Caylrham Mine, near Beypazari, for which FSW has already sumpled six specially ware allowed the principal projects include the principal projects in th

DESIGN BUILD CORPORA.

TION has been awarded a con-tract, worth \$350,000, to design and build a development in Ealing Road, Wembley, consisting of three shops on the ground floor, offices on the first floor and four flats on the second floor. The development will include a car park to the rear of the building. The work has begun on site and is expected to be completed in the six

Croydon, each amounting to \$350,000, a similar sized job for Lloyds in Edgware and a fourth in National Westminster's regional office at East Grinstead. Rathmore Investments has placed a \$400,000 contract for the virtual rebuilding of premises in Wardour Street WI.

principal projects include the re-modelling of part of the terdesigned conveyors, structures and ancillary equipment. In addition, special equipment such as electromagnetic separators and conveyor monitoring equipment has also been supplied.

Te-modelling of part of the terminal building at Newcastle international airport, high-technology factory and office units for English Estates at its Runcorn and Widnes parks, a retail refurbishment project for the police. Preston, construction of luxury honses and a new cash and carry outlet in the Manchester area and projects for the Mich-elin Tyre Co and Churchill Tableware at Stoke-on-Trent.

WESTPILE, part of the Tilbury
Group, has been awarded contracts totalling almost \$3m during the last four weeks. They include a \$1.4m contract for 000 laboratory development for British Rail covering shell piling to support a rallway 000 ice making plant for Clayembankment at Stansted; at ton Analine, Manchester; and a Rowlands Castle, a contract \$500,000 single-storey production unit for electronic compodesign and construct foundaring manufacturing unit for the Japanese electronic components amount for laboratory development for Double 1 and 1 a opment acheme, to deliver water to Nurton and Bridgnorth will, a division of Dobson reservoirs.

Thames Water has placed two, order for underground mining orders. At Hammersmith, Weir equipment will pump potable water to West London. At Chingford South, five Weir pumps will replace equipment

\*\*EETCHER SUTCLIFFE ted to be completed in the six months.

Ted to be completed in the six months.

The to be completed in the six months.

British Rail covering shell piling to support a rallway 000 ice making plant for Clayembankment at Stansted; at contract stone Analine, Manchester, and a secured contracts to a total value of \$2m. Among these are to worth almost \$400,000 to the design and construct foundations for a Charles Church (U.K.) at Buckley, Clwyd.

housing development; and at Rochester, a \$165,500 contract for piling at the Esplanade for

# Transhipment

Cheshire-based POCHIN has won design and construct con-tracts worth more than £12m. Among these is a £3.3m road/ rail transhipment depot with a floor area of over 120,000 sq. ft. which is to be constructed on a 10 acre site in Trafford Park, Manchester. The depot is for Harris Distribution, a aub-aidiary of Transport Develop-ment Group.

Wrexham Maelor Borough Council has appointed Pochin to design and build a \$1.35m WESTPILE, part of the Tilbury manufacturing unit for the Jap-

Amount per \$500,000 will be \$19,482.64.

Bank of Tokyo International Limited Reference Agent

# ITC creditors challenge High Court rulings

THE TIN litigation returned to court yesterday when creditors of the insolvent International Tin Council challenged High Court rulings that the council's members could not be held liable for its £900m debts.

About 50 barristers and solicitors were in the Court of Appeal, representing the ITC, the UK and the other ITC members, and the creditors.

The central issue for the three appeal judges concerns the precise legal status of the

Two High Court judges have held that the Council has a distinct legal personality, separate from its members - the UK, 22

appealing against a ruling on June 25 by Mr Justice Staughton in the Commercial Court that, because of the ITC's legal status, Rayner could not sue the member states indirectly likely against a ruling on together.

They will be followed by three other appeals in cases where creditors sought to make the member states indirectly likely against a ruling on together.

BEFORE yesterday's hearing began one of the three appeal jndges, Lord Justice Ralph Gibson, disclosed that during a chance meeting Sir Adam Ridley, a director of Hambros Bank, one of the appealing credi-tors, bad spoken of his con-cern about tin affairs gener-

papers about the case as "belpful hackground." "I did not look at, or read, any part of the material and I have returned it hy post. I told him on the tele-

Rayner's claims.

A similar ruling was made on

July 29 in the Chancery Divi
Rayner's refusal to appoint a structure of the ITC; by of such a character as to Maclaine against the High exclude the members' liability.

Court's refusal to appoint a The hearing continues today.

phone I was returning it nnread," said Lord Justice

Gibson.
"I'm confident that Sir Adam sent the papers to me in perfectly good fatth because he thought I would be interested in the background and not because he wished to, or thought he could, influence me in my approach to the case."

Lord Justice Kerr, the presiding judge, concluded:
"I think we can all feel confident that, while it should never have happened, no harm was done."

from its members – the UK, 22 other sovereign states and the European Community – and therefore is alone responsible for its oebts.

The creditors argue that, under English law, the members are jointly and severally liable for the debts.

J.H. Rayner (Mincing Lane), a ring-dealing member of the London Metal Exchange and a £16m creditor of the ITC, is appeals against those rulings, both of which concern attempts to make the member states directly liable, are being heard appears.

sion by Mr Justice Millett, when the struck out a claim by Mr Cagainst an order that it must disclose full details of its worldwide assets to Maclaine. Mr Mark Littman, QC, for Maclaine's and Rayner's appeals against those rulings, both of which concern attempts to make the member states directly liable, are being heard that it incurred liabilities on its own behalf, to the exclusion of its members.

appealing against a ruling on June 25 by Mr Justice Staughton in the Commercial Court that, because of the ITC's legal status, Rayner could not sue the members for its debt.

Other broker and bank creditors of the ITC took part in that hearing to argue on legal issues common to their own as well as considered in the compulsion of the ITC took part in that the striking out trader, against the striking-out to fits petition for the compulsion of its petition of its petition for the compulsion of its petition of its peti

### Noranda seeks provincial hearing

NORANDA, THE Toronto based mining conglomerate, is to appeal against an Ontario Supreme Court ruling that its suit claiming C\$38m (\$16.5m) in damages from the Canadian Government in connection with the 1985 collapse of the International Tin Council should be heard in a Federal court, writes David Owen in Toronto.

Noranda's metals trading subsidiary, Rudolf Wolff, and filed is hits argument that the Government was a commercial company's losses accruing from the tin market crash just over ages as though it were a business or private individual.

A company offdicial said he expected the appeal to be heard and a succeeds in having the case heard at a provincial level, of months."

# Producers to lift export quotas

BY WONG SULONG IN KUALA LUMPUR

THE SEVEN-nation Association Bolivia 13,716 tonnes, Austra-duce, of Tin Producing Countries is to raise annual exports from tonnes and Zaire 1,736 tonnes. 96,000 tonnes to 101,900 Malaysia and Indonesia are tonnes in its next export quota likely to get the biggest quota programme, starting in March, Increases.

quotas and others unchanged quotas, while Bollvia would probably be unable to meet its

programme, starting in March, to meet the increased capacity of its members.

Non-ATPC producers Brazil and China, which attended the council, which agreed on the new quota at its meeting in Kuala Lumpur last Friday, did not reveal the individual quotas, but Mr Redzuan Sumun, the executive secretary said some members would be given bigger this volume, with exports for quotas and others unchanged.

Increases.

Non-ATPC producers Brazil mated at 47,700 tonnes, compared with an overhang of 73,200 tonnes prior to the start of the scheme in March last year of the scheme in March last year.

Mr Redzuan said this overhang was expected to be reduced by another 15,000 tonnes, marking a strom ery from the doldrum industry was in during the scheme in March last year.

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Mr Redzuan said this overhang of the current year.

China, in fact, has far exceeded to tonnes and 7,000 tonnes and 7,000 tonnes and 7,000 tonnes and 7,000 tonnes prior to the start of 73,200 tonnes prior to the start of 73,200 tonnes prior to the start of 74,200 tonnes 1987 estimated at between year of the programme. 18,000 and 20,000 tonnes. China has given an assurance

that its "runaway" export per-formance will not be repeated. It said it was the result of greater freedom given to the outp

COCOA E/tonne

The ATPC executive council said the world tin surplus at the expiry of the first year of the export rationalisation programme next month is estimated at 47,700 tonnes, compared with an overhang of 22,200 tonnes prior to the start

He said prices, which are currenctly above 17 ringgit a kg, compared with 15 ringgit a year ago, should improve fur-ther, even with the increased output from producing coun-

### **Israelis** strive to save orange crop

By Andrew Whitley in Te Aviv

THE ISRAELI Government has resorted to emergency measures to save the country's main citrus crop, the Shamouti or navel orange, whose picking season should by now be at its

height.
Picking has been severely dis-rupted by the absence of tens of thousands of Arab workers, following the unrest of the past six weeks.
Schoolchildren have been

Schoolchildren have been mobilised by the Education Ministry to work in the orange groves, restrictions on workers from Southern Lebanon are being temporarily lifted, and top union leaders have volunteered for work over the next few days.

The Education Minister announced on Sunday that secondary schoolchildren would be asked to work in the fields, following an appeal to him for

asked to work in the fields, following an appeal to him for
help by representatives of the
citrus industry. Mr Yitzhak
Navon, the Minister, described
the emergency work programme as being of "great educational and economic impor-

Apart from the picking and packing of the Shamouti oranges, Israeli fruit growers need to prepare their land at this time of year for summer fruit such as grapes and mel-

In an action which has served to remind older Israelis of the country's early ploneering days, when everyone helped out with the harvest and outside labour was virtually non-existent, members of the Central Committee of the Histad-rut, the labour federation, said they offer their services to the

orange growers this week. Among them was an Israeli Arab, Mr Mahmoud Younis – a leader of the one day atrike israeli Arabs held last month in solidarity with their Palestinian brethren in the West Bank and

Gaza Strip.
Explaining his decision to volunteer, Mr Younis said: "I see myself as part of the state and care what happens to the economy."

omy."
Commencing on Sunday, some 900 children from all over the country have been put to work for a week with a citrus pro-

half of the decade. Preliminary forecasts had suggested that the current season could at least match last year's perfor-

-2,675 to 26,525 -5,175 to 42,725 -1,975 to 50,825 -1,902 to 3,126 -3,000 to 42,800 -155 to 19,330

# Tepid reception for cocoa deal

THE LONDON cocoa market yesterday gave a lukewarm reception to the news that the international Cocoa Grganisation (ICCO) had agreed at the weekend on rules to reinstate the operation of its price support mechanism.

Following Saturday morning's agreement some dealers were forecasting that prices on the London futures market would rise by up to \$50 a tonne when trading resumed today. In the event, however, gains on the day ranged between \$18 and \$22 a tonne, with the May postion closing \$21 up at \$21.182 stones.

The ICCO emergency session rate well arge amounts of cocoa working again and halt the side on cocoa prices. The tough he night on Friday, finally closing at 7 am on Saturday, well through the night on Friday, finally closing at 7 am on Saturday, well through the night on Friday, finally closing at 7 am on Saturday, well through the night on Friday, finally closing at 7 am on Saturday, corp. This follows the separation of the market to buy up to 75.000 tonnes of cocoa arrounded purchaser. The buffer stock through the night on Friday, finally closing at 7 am on Saturday, corp. This follows the separation of the surfect stock and some received to the surpline expected from this season's crop. This follows the surfer stock of fit the market.

The buffer stock manager can now recent the market to buy up to 75.000 tonnes of cocoa arrounded the fit is will be further stock buying will

# The cost of not co-operating

IT WAS George Bernard Shaw who stated that the whole sum of human progress was due to the activities of unreasonable people. And it is certainly true that their refusal to conform to

that their refusal to conform to the accepted rules of the day made most reformers very uncomfortable companions. What brought this to mind was the report of a recent con-ference on the future of Corn-wall, held under the patronage of the Prince of Wales, as Duke of the Prince of Wales, as Duke of Cornwall, and other local

The most interesting section contribution was, to my mind, that of Mr Alexis Gourvennec, who could be said to be the father of modern Breton farm business. I met him first about 20 years ago when following up a story of rioting around an agricultural co-operative at St Pol de Leon, near Roscoff.

deal to stop the Bretons rioting for independence. Then he had set up the clock auction system at the co-operative. A Clock Auction depends for its success on their being a minimum price at which produce not sold is bought-in, this support buying being financed by a levy on all sales. There were some objec-

WORLD COMMODITIES PRICES

(Prices supplied by Amalgamated Metal Trading)

### FARMER'S VIEWPOINT By John Cherrington

Mr Gourvennec, chairman of the Regional Economic Commit-tee, of Britanny Ferries and also of the regional branch of Credit Agricole, the farm bank, told the Cornish confer-ence he was pleased with prog-ress so far. But he saw ominous

and vegetable farming.
Once you leave Cornwall you are mixed up with Devon, Somerset and Dorset so it would be

**US MARKETS** 

squashed by finding a legal loophole which allowed the majority to impose its will on the minority.

After this his progress was a squared ever, is that British farmers are not good co-operators, probably

ever, is that krimin tarmers are not good co-operators, probably because they have never been so badly off as to be prepared to give up their independence. That loyalty to existing co-operatives is hard to enforce as we Britons do not seem to approve of mass intimidation on the French scale. on the French scale.

family and I set to work Hilsdown Holdings Group and through the National Farmers' British bacon is to my mind a Union to get the Holdings Act altered so that at least the compensation was improved and the Act could lengthen tenancy on the wrong side of the above.

CHUDE Oil, (Light) 42,000 US galls \$/berral

Close Previous High/Low

because they feared their land-lords would victimise them, although they assured me that they were on my side. In the end I had enough support to get the Act changed to my satisfac-tion and that of the majority of tenant farmers. It kept many farming who might otherwise have been pushed out.

At the same time there was a definite attempt to bring in marketing boards for mest, cereals and so on. Farmers lost cereals and so on. Farmers lost out on this one under pressure from the food trade and on the grounds of monopoly. I think we certainly miss them now that the food trade has got into the hands of the huge supermarket chains. It is not sufficiently recognised that farmers have been forced back to the farm gate and are just commodfarm gate and are just commod-ity producers. It is difficult to see how we can get out of that

agricultural co-operative at St. Pol de Leon, near Roscoff.

According to the press, the co-operators protesting against the wicked merchants who were trying to buy their canliflowers too cheaply – but that was far from being the case.

The purpose of the was to force Independent-minded farmers to join the co-operators there was no way. Mr Gourvennec told me, that a small group of independents would be allowed to sabotage his planned marketing stategy.

He had worked for this for a long time. First he had persuaded the Government to improve the roads as part of a deal to stop the Bretons rioting for independence. Then he had age that the saw ominous on the French scale.

In any case as farmers we are farm gate and are just commod the allowed are in a first the saw ominous on the French scale.

In any case as farmers we are farm gate and are just commod the allowed are farm gate and are just commod on the French scale.

In any case as farmers we are farm gate and are just commod the allowed are have a farmer and are just commod the allowed at the importation of links of the importation of links of the important to see how we can get out of that the deal to deal the ease of indiced pigment imports. But it would take a lot to make me whole of the market for set would probably be carried a bannar dealing my charactering the provided in the saw ominous and there had long in the cooperative's sintation.

In any case as farmers we are farm gate and are just commod to demonstrations. There have been a mode demonstrations. In any case as farmers we are farm gate and are just commod the farm gate and are just commod to demonstrations. There have see how we can get out of that would a farmer at subsiliation.

But what we lack is an organisation which can control the would probably be carried at the importation of the set in which can control the would are allowed to subside pigment imports. But it would not an importance with the pass of the lift providers. It is difficult to the set in which can control the stretched. Th

difficult to centre any farming pensation was improved and and marketing strategy on the Act could lengthen tenancy Gourvennecs of Europe settled on the wrong side of the chanketing Board looks after all dairying on a national basis so passage. Tenant farmers them here.

SOYABEANS 5,000 bu min; cents/60% bushel

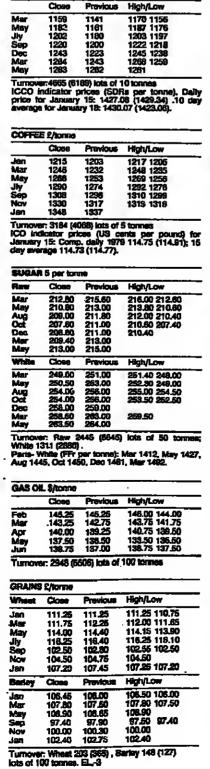
Chicago

### **LONDON MARKETS**

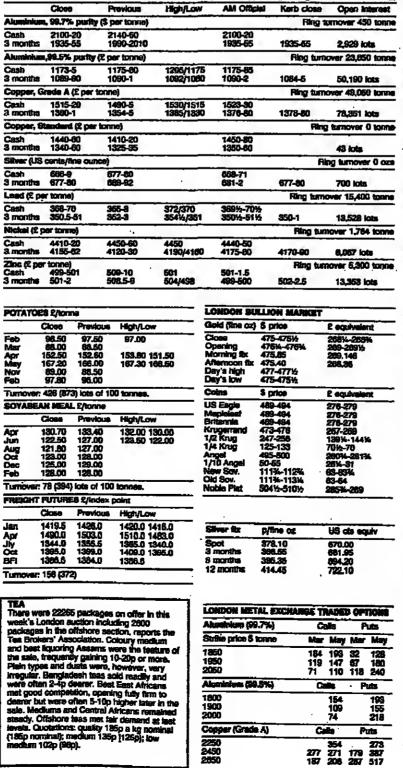
COPPER PRICES moved ahead on the London Metal Exchange yesterday, with the unexpected news of a fall of 2,900 tonnes in total LME warehouse stocks providing a spur in morning trading.

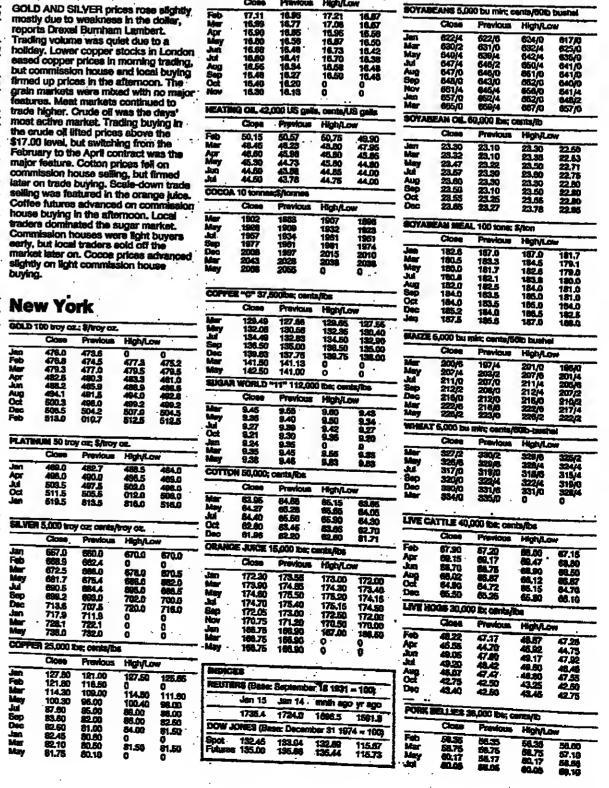
Prices were steady in the afternoon ring, trading a narrow range but helped by gains on Comex. Analysts said the market still appeared to be middly bullish. The three-month metal closed £26 ahead at £1,380.50 a tonne. Dealers expect fairly stiff chart resistance at about £1,400 a tonne. Aluminium prices were also boosted in morning trading on news also boosted in morning trading on news that LME stocks were down by 7,850 tonnes to 69,250 tonnes. But dealers said there was no follow-through in the afternoon, and onces closed slightly below Friday's level. Meanwhile coffee prices moved higher, buoyed by gains in New York. Background support came from the prospect of s 1m bag International Coffee Organization quota cut being triggered this morning.

crude oil (per berrel FOB)		+ or -
Duchal	\$15.50-5.70	y +0.24
Brent Bland	\$16.75-6.85	y +0.25
V.T.L(1 pm est)	\$17.05-7.10	
Di products (NWE prompt	delivery per t	onne Cif + or -
remium Gasoline	\$157-160	
Bas Of	\$144-145 571-73	
lesvy Fuel Oil Japhtha	\$145-148	
Petroleum Argua Estimetes		
Other		+ or -
old (per troy oz)#	\$475.25	-6.50
Miver (per troy oz)ê	669g	-10
Hetinum (per troy cz) Palledium (per troy cz)	\$438.00 \$128.25	-8.25 -4.00
		-20
Juminium (free market)	\$2110 130%-135c	-2.0
Copper (US Producer) Lead (US Producer)	13049-1336 40c	-2.4
Rekel (free markel)	355c	-6
in (European free market)	£3930	+20
in (Kusia Lumpur market)	17.35	-0.02
in (New York)	321.5c	
inc (Euro. Prod. Price) inc (US Prime Western)	\$860-900 44.75c	+0.375
astle (live weight)† heep (dead weight)†	105.95p 142.960	+1.11 -20.73
ids (jine mejčini). useb (oseo meduri).	63.980	-0.37
<del></del>		
ondon daily sugar (raw)	\$245,00w \$249,00w	
ondon delly sugar (white) ate and Lyle export price	2246.50	+5.50
arley (English feed)	2110.50w 2135.00	-1.00 +0.50
laize (US No. 3 yellow) /heet (US Dark Northern)	£35.00 £36.00u	+5.00
ubber (spot) <b>?</b>	64.50p	10.50
ubber (Feb) <b>#</b>	68.25p 68.00p	+0.50 +0.50
ubber (Mar) 🛡 ubber (KL RSS No 1 Feb)		70.00
oconut oil (Philippines)§	\$57C.00v	+20.00
akn Ož (Melayslan)§	\$505.00 .	+5.00
opra (Philippines)§	\$390,00 £158,50	+3.00
oyebeens (US) otton "A" index	72.70c	-0.55
rocitops (64s Super)	488o	-









### CURRENCIES, MONEY AND CAPITAL MARKETS

### FOREIGN EXCHANGES

# Awaiting Japanese trade news | Gilts and bonds improve

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£ IN NE	W YO	RK	
Jan. 18	Late	2	Previous Close
E Sport	1,775-1 0,23-0 0,75-0 2,97-2	7785 1. 20an 0 710a 0	7718-1,7730 24-0,23pm 77-0,76pm 35-1,90pm
Forward press dollar	ions and c		y in the US-
STERLI	NG IN	DEX	Product
8.30		748	75.4
20.00		74.7	75A
11.00 as		74.7	- 334
2.00 pm 3.00 pm 4.00 pm		748 747 747	748
CURRE	ICY R	ATES	
Jan. 18	Barek Cade	Special Drawing (Sights	European Currency (Jak
Sterling U.S Dellar	-6	0.760164	0.692639 1.22805

Sterling
U.S Onlier
Canadian Dollar
Canadian Dollar
Betgian Franc
Danish Krone
Denische Mark
Swiss Franc
Goldder

OTHER CURRENCIES Jan 18 2 S 

**MONEY MARKETS** 

# Soft tone in London

INTEREST RATES were lower in the London money market yesterday. Three-month interbank fell to 9-8% p.c. from 9%-8% p.c. as retail sales figures for December proved disappointing. This was seen as a sign that the UK economy may not be overheating and that recent calls for higher base rates may be resisted. However bank lending figures due for release on Thursday may provide a contrasting picture.

Overnight interbank money started at 7%-7% p.c. and slipped to a low of 6 p.c., much to the continued delight of discount houses, which continued at 3.2-3.25 p.c., little count houses, which continued to enjoy the benefits of cheap

In Frankfurt, call money was quoted at 3.2-3.25 p.c., little changed from Friday. Banks' reserves remained comfortably

### **FINANCIAL FUTURES**

LONDOM

26-YEAR 32% METRICAL GILT 850,000 32mk of 100%

Estimated Volume 26340 (28047) Previous day's open lat, 22524 (29589)

Estimated Volume 1320 (1897) Previous day's open int. 2406 (2333)

Extinuented Volume 224 (283) Previous day's open lat, 685 (638)

Estimated Volume 1427 (2740)

CURRENCY FUTURES

PRENID-4 (FOREIGN EXCHANGE)

THREE MONTH EU Sim points of 100%

Est. Vol. Circ. Sign. ant shows) 6751 (10903) ... Province day's open lat. 29627 (20638)

Close Right Law Pres. 180.20 180.80 180.00 173.80 163.70 - 177.30

Close High Low Pres. 10-18 90-18 70-02 87-30 89-17 85-31

	Exp quarted rules,	Correcy tenants sprint Ecu Jac 18	% change from contrat rate	N change adjusted for discognice	Disergence Seet. %
Seight Franc Dudin Krone	42.4582 7.95212 2.05853 6.99403 2.51943 0.766411	43.1751 7.92451 2.06717 4.97363 2.32712 0.777197 1516.95	+1.69 +0.99 +0.92 +0.12 +0.12 +1.14 +2.25	4094 4024 4039 4039 4039 4194	#1.5344 #1.5404 #1.0901 #1.3874 #1.5012 #1.6684 #1.0752

Control of Projects

J==,18	Day's spread	Ciere	One worth	% 02	Three	2 %
daraif	1.7850-1.7750 1.5730-1.5800 1.2850-1.2890 1.2850-1.2890 1.2850-1.2890 1.5730-1.5925 1.5730-1.5925 1.5730-1.5925 1.5730-1.5925 1.5730-1.3800 1.233-1.201 4.05-6.074 1.239-1.3000 1.239-1.3000	1.7740-1.7750 1.5780-1.5790 1.2860-1.2870 1.08175-1.0805 35.15-35-25 6.451-6.46 1.39-1.589 1.39-1.589 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490 1.39-1.490	0.27-0.24cpm 0.14-0.12cpm 0.14-0.12cpm 0.45-044cpm 0.45-0.52cpm 90-13bcress 90-13bcress 90-13bcress 90-13bcress 1.05-0.2cpm 1.05-0.2cpm 1.05-0.3cpm 1.05-0.3cpm 1.05-0.3cpm 0.5-0.3cpm 0.65-0.3cpm 0.65-0.3cpm	172 106 172 285 176 176 176 176 176 176 176 176 176 176	0.82-0.76gm 0.45-0.75gm 0.45-0.76ds 1.35-1.33gm 2.50-2.80ds 1.55-1.31gm 2.90-3.90ds 1.90-12.00ds 11.91-1.70ds 11.91-2.70ds 11.91-2.70ds 1.92-2.70ds 1.92-2.70ds 1.92-2.70ds 1.92-2.70ds 1.92-2.70ds 1.92-2.70ds 1.92-2.70ds	17 12 14 26 15 26 -15 24 -7.1 -14 -23 -15 -14 -24 -24 -24 -24 -24 -24 -24 -24 -24 -2
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herlands .	330+3351 6216-6246	1347-1357	By icon 20-icon	448	4-31-per 48-27am	449
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dent	2301-2317	2301-2311	De Jarets	-65	3-2-on	4.88
rin	20:96-21.05 2.421-2.431	20.98-21.02 2.424-2.434	14-11-com	450	241-211-put	437

CURRENCY MOVEMENTS EURO-CURRENCY INTEREST RATES

. Steat	Short. term	7 Days makes	(Date Month	Months.	Sir	Year
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Jac 18	. Z	\$,	DM	Yes	F Fr.	S Fr.	H FL	Ura	C\$	8
E S	0.563	1775	2.983 1.681	230.8 130.0	10.07 5.473	2/33 1.571	3.350 1.857	2187 1232	2 282 1286	35
DM YEN	0.335	0.595 7.641	12.92	77.37 1000.	3,376 43.43	0.806 10.54	1732	733.2 9476	0.765 9.887	20
F Fr.	0.995 0.411	1.743 0.730	2962 1226	229.2 94.56	10.	2416	337	2172	2.2%4 0.936	320
H FL	0.299	0.530	0.890 1.364	68,90 105.5	3.006 4.604	0.726 1.112	1.532	652.8 1000,	0681 1043	18
CS SFL	6738 1403	0.778	1.307 4.777	101.1 369.4	1433	1.066	1.46E 5.364	958.4 9502	3.654	20

Yes per 1,000; French Fr. per 10; Line per 1,000; Belginn Fr. per 100.

LIFFE-EYENLING \$25,000 \$ per E | Close | High | Law | Prec. | 17664 | 17620 | 17629 | 18101 | 17972 | 18060 | 17975 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17975 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | 17980 | FT LONDON INTERBANK FIXING

Treasury Bills and Bonds

to rate	8.75 1 8.00 5	Two month Torse month Struggets Jae year Two year		\$655 E	<del></del>	
Jan.23	Dvernight.	Cost Month	North,	Three Months	Ster Months	Louis
idert.	115-125 77-772 3-1 3-48075 9-111- 4-57 8-672	19-16-16-16-16-16-16-16-16-16-16-16-16-16-	3.30.3.45 77±8 84-84	19 19 19 19 19 19 19 19 19 19 19 19 19 1	3.40-3.55 89-89 9-94	75
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LONDON MONEY RATES Dennick 7 days One Three Six Co

to enfoy the persons or crests	changed from Friday, Banks'								}
money. Rates firmed up to 9	above minimum reserve		Demight.	7 days	Month	Three Monds	Six Nocis	One Year	630
UK clearing bank been leading rate 8½ per cent from December 4	requirements as domestic- liquidity continued to be boosted by the tall end of cen-	Starting CDs.	74	77.	10 A 10 A	3836	\$838£	\$ 50.00 B	55
p.c. later in the day however, with late bids taken at 8½ p.c.  The Bank of England forecast a shortage of around £100m with factors affecting the market including, the repayment of any late assistance and bills maturing in official hands together with a take up of Treasury bills draining £384m and the unwinding of previous sale and repurchase agreements a further £15m. Exchequer transactions accounted for an additional £30m while banks	was left unchanged as the Bank injected FFr38.7bn, unwinding	Local Authority Basels  Becomes Hist Dest.  Company Deposits  Trainary Brite (Bay)  Beak Bits (Bay)  Beak Bits (Bay)  Book Bits (Bay)  Britesary Bits  Book Bits (Bay)  Britesary Bits (Bay	ente 1: 10.05 967, Scheme Flazace Hosse 0-3.50 per ce 50 per cest; on sine-twelve se	othy Decemble p.c., Schemes IV: 8.830 p.z. s Base Rate ! nt. Certificate c-three month boths 8.50 pe	W & R: 10.09 Local Author LOC Gross, Lacu s of Tax Depo	preed care. In p.c. References by and Financery 1, 1988: St. (Saries 6);	7.25-7.20 674 675 675 675 675 675 675 675 675 675 675	od December) o days' motics, Rates for servi 1,000 and over cast' six-sine	

THE DOLLAR closed at or mean time to the full of 12 De. in rate indice 125 against 145 aga

CHICAGO JAPANESE YEN (OLD) Y12.5m \$ per Y160 U.S. THEASDRY BOMBS (CBT) #7. \$200,000 Stock of 100%

## 190% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | | HOTHERAL GELY | Sep | Dec | Close | 19st | Los | Proc. | P BESTSCHE MARK (MIN) BALL25,080 S per Dis

Litest | Kigh | Low | Pres. | STANDARD & Piblis 500 INDEX | 0.7537 | 0.7546 | 0.7525 | 0.7530 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500

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I.G. INDEX'S **PRICES** 

**APPEAR** TODAY ON Page 14

# **£**WORLD VALUE OF THE POUND

Cop High Law Proc. 12.53 92.57 92.53 92.59 92.59 92.59 92.59 92.59 92.59 92.59 92.50 The table below gives the lutest available rate of exchange for the pound against various currencies on Monday , Jamesry, 18, 1987 . In some cases the rate is nominal. Market rates are the average of lutying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

VALUE OF VALUE OF E STERLING VALUE OF 2 STERLING CURRENCY CURRENCY Africani Let Dinter French Franc Spanish Peseta Kusuma E. Carribunas Austral Australianas Schilling Portuguese Escado Gifteratter E Drandvase Danish Krone E. Carlibeau \$ Lucal Franc U.S. \$ 99,25 9,7637 8,7842 10,0650 202,50 55,1340 4,78 9,9650 3,1678 2,5005 21,00 244,30 1,00 237,50 11,46 4,78 10,0650 1,7745 (17,45 (17,45,45) 531,30 1151,15 14,36 Gibratiar
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#Rate in the transfer number (controlled), these one official rate, (DEssential Goods (Z) Preferential rate for prority imports such as foodstaffs. (4) Preferential rate for Public Sector Debt and Essential Imports. (5) Preferential rate. (6) Bankoute rate. (9) Rate for experts. (10) Nearly all Business transactions. Correction for James 11, Brazil 136,4975

### **EUROPEAN OPTIONS EXCHANGE**

		Fet	. 88	May	88	Aog	. 68	
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### **BASE LENDING RATES**

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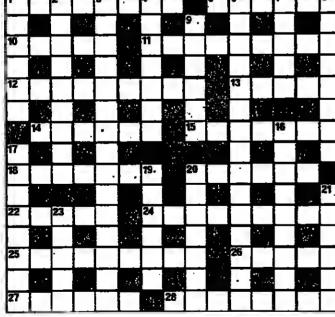
Members of the American Houses Committee. \* 7 day deposits 350% Saventre 6,16%, Too Ter-12,500+ at 3 rancter rather 7,81%, at call when £10,003+ remains deposited. \* Mortgage base rate. § Demand deposit 3,49%, Mortgage 10%-10,25%.

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### FT CROSSWORD No.6,533 SET BY QUARK



- ACROSS

  1 Sect takes in a sort of dancing.
  Could get stones off! (8)
  5 US fuel could be handy (5)
  10 Outlook for fish? (5)
  11 Dents in fuel lid rendered ineffective (8)
- fective (9)

  12 To make a mistake if in knots, appals (9)

  13 Credit notes after the country
- returns (5)
  14 Able to take in stew or soup
- 14 Able to take in siew or soup
  (6)
  15 Beat a deserter coming back
  with blow of trumpet (7)
  18 Realise win (7)
  20 First class with a hint to opt
  out? (6)
  22 Deal with free entertainment
  (5)
  24 Batsman's display preceding
  ton ten? (3-6)
- 24 Batsman's display preceding top ten? (3-6)
  25 Classical example of forecaster unheeded (9)
  26 Peg changes hotel (5)
  27 Tries writing (6)
  28 Tear ruins 'ose, giving rise to obsession (8)
- 1 Modest, but pursued, we hear
- 1 Modest, but pursued, we hear
  (6)
  2 Aeroplane developed from caterpillar? (5-4)
  3 I leap entry-point somehow to become powerful person (15)
  4 Man with crumpled list could be in the soup (7)
- 6 I provide cover for the cuts (8-7)
  7 Man takes one in, cooked (5)
  8 Oldest Royal Academy working guide (8)
  9 Little room near front of train (6)
  16 Irregular man, OM, a louse in part (9)
- part (9) 17 Soft paper item just a little
- 17 Soft paper item just a little matter (8)
  19 Old vestments as record carriers (6)
  20 One trustee in gallery to test strength of liquid (7)
  21 Parliament not sitting in relation to tax (6)
  23 Cuts out (right out) and becomes more comfortable (5)
- Solution to Purile No.6,632

  LONGSTOP SCORES

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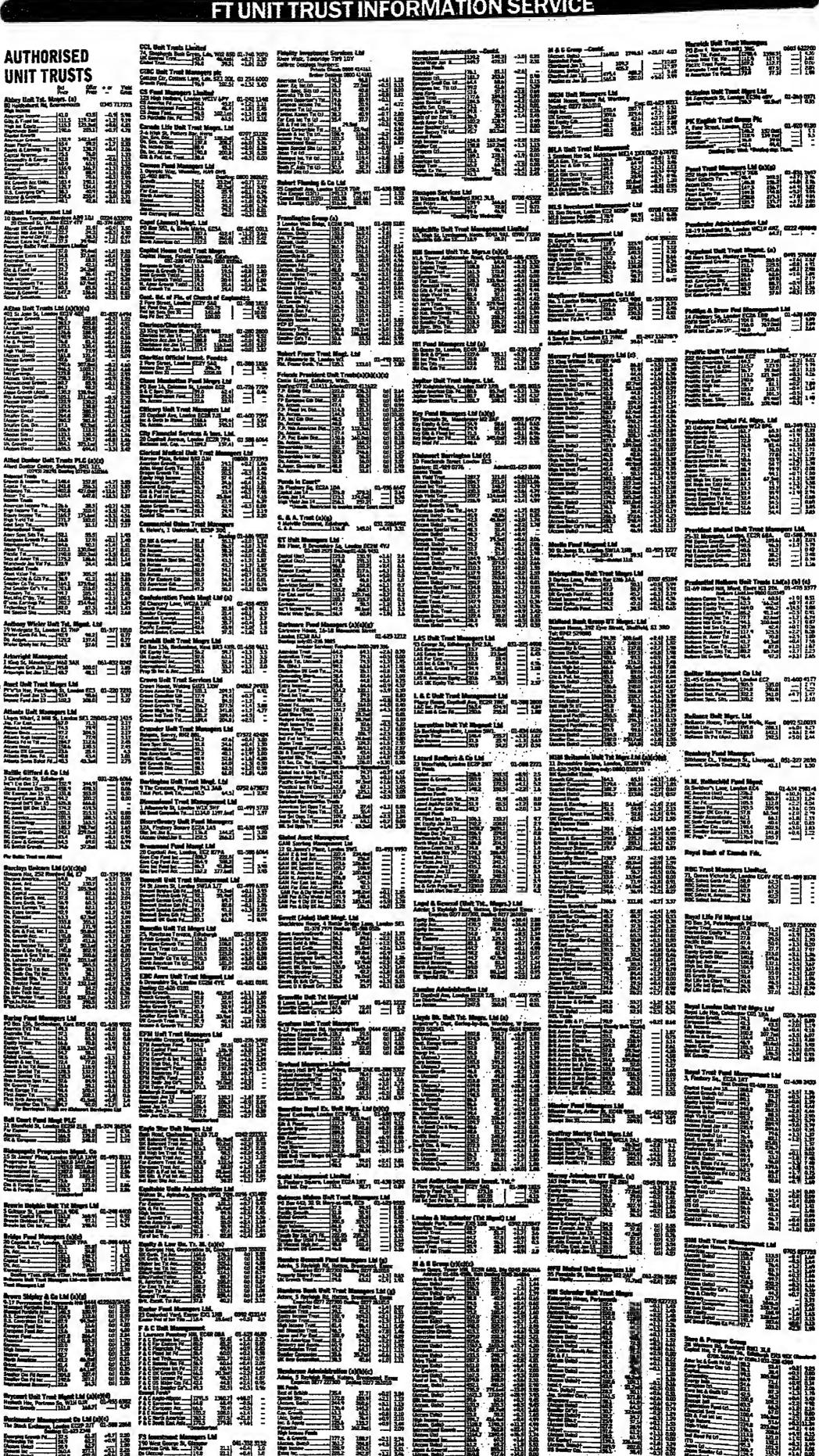
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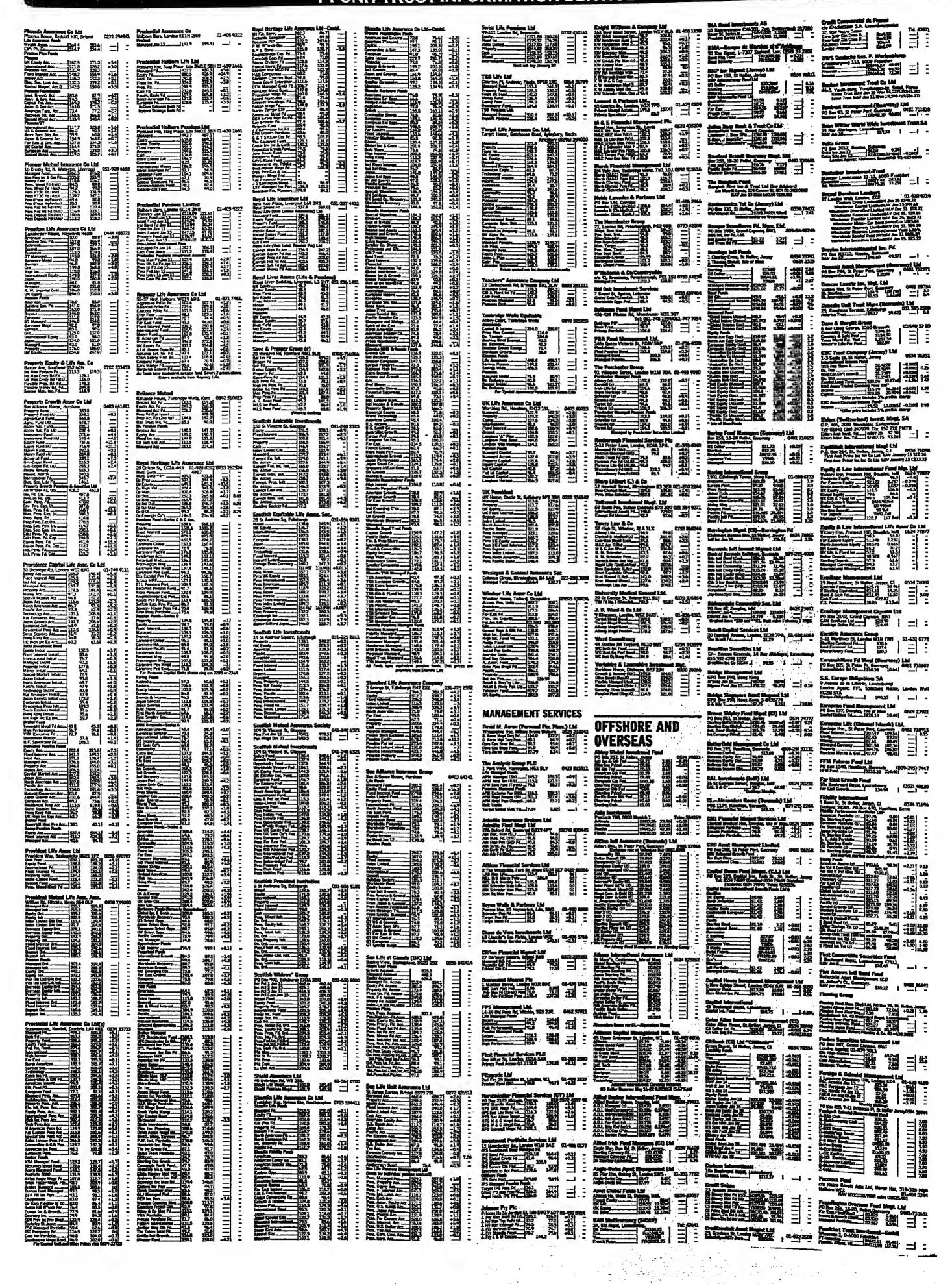
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# LONDON SHARE SERVICE

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### LONDON SHARE SERVICE

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### LONDON SHARE SERVICE

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# tions Dealings Day Jan 7 Jan 8 Jan 18 Jan 21 Jan 22 Peb 1

The UK stock market, in its more considered response to the last week's US trade news, turned in a somewhat disappointing performance yesterday. With the international stocks lacking a lead from the US dollar, equities proved warburg Securities. stocks lacking a lead from the US dollar, equities proved unable to nold above the FT-SE 1800 level, and lost momentum in the session but prices paused towards the end of the trading only momentarily when the session.

Share prices were discouraged by news that UK retail sales fell I.1 per cent last month, which bore out bearish surveys of retailer's opinions by the Confederation of British \$300m of Treasury 8 per cent 1992 and \$150m of 9% per cent Conversion 2005. Notably lack-Industry and the Institute of Directors.

However, this further indication of slackening inflationary pressures was well received in the Gilt-edged markets, where until one month after last

the Gilt-edged markets, where prices closed a point up, at the day's highs after brushing off a Bank of England announcement that \$450m tranchettes of short and long-dated will be issued today.

Equities started in good form, helped by a gain in the Tokyo market, and the FT-SE 100 Index pushed upwards through the significant 1800 mark at mid-morning. Turnover was unimpressive, with market anaunimpressive, with market analysts commenting that markets needed further evidence of a recovery in the US trade balance, and in the dollar.

At heat the market was up to be a figure of the sector, but were soon pulled to be a figure of the sector, but were soon pulled to be a figure of the sector.

At best, the market was up by nearly 20 FT-SE points, but support flagged in the second half of the session as London waited for the opening of a Wall Street market inhibited by

the Martin Luther King holiday. The FT-SE 100 Index ended only 3.3 points ahead at 1790, with turnover at a disappointing 417.7m shares at 5.00pm. However, share volume totals and prices indices, short-dated alone have not always proved gilts were "more relaxed". Treasury 12 per cent '95 moved np by % to 110 . Enterprise Oil and to a lesser degree LASMO, an accurate guide to institutional activity.

Underlying confidence in the outlook for equities, at least in the near term, appeared sound. The sluggishness of retail sales, which has been to some extent was well down on the levels of foreseen in the market, may recent weeks. Enterprise shares reduce the need for an increase in base rates hinted at by both in base rates hinted at by both last week's rumours of a possithe Mr Nigel Lawson, the UK ble substantial oil discovery in Chancellor of the Exchequer, block 22/11 of the North Sea and by the Governor of the were followed up in the week-

The oil share sector continued to attract investor interest, both institutional and private, as the City awaited Britoil's defence document against BB's defence document against BP's higher at 291p. LASMO, which \$2bn plus bid. Speculative has a 25 per cent plus stake in interest ran high among other Enterprise, were additionally

nergy issues.

Government bonds had tion that the much-rumoured another successful session as takeover bid from major share-the UK retail sales numbers, holder RTZ is imminent and

# Government bonds rise sharply but disappointing

session for equity sectors

18	131					,520. 13		Jan,	Year		7/99		replation
		14	13	12	Age	High	Lów	High	Low				
88.45	87.96	87.56	86.97	87.54	85.33	93.32 (8/5/87)	83.73 (19/10/67)	127.A (9/2/35)	49.18 (3/1/75)				
94,42	94.55	94.44	94.46	94.62	91.66	99.12	90.23	105.4 (28/11/47)	50.53 (30.75)				
1440.1	1436.7	1398.7	1391.1	1396.9	1397.0	1926.2	1232.0	1926.2 (36/7/87)	49.4				
283.4	294.5	284.1	286.1	290.8	335.2	497,5 (4/6/87)	261.6 (6/11/87)	734.7 0.5/2/631	43.5 (26/10/71)				
4.33	4.33	4.45	4.48	446	430		S.E AC	TIVITY					
10.85	20.83	11.14	11.21		9.61		rdices	Jan 15	Most				
11.30	11.32	11.00	10.93	11.00	12.75			138.6	135.7				
29,870	27,832	20,191	20,825	23,743	43,425	Equity Barg	<del>4</del> 15	173.3	136.7				
- 1	1092.37	990.56	858.29	845.33	1190.85			2200.0					
- 1	26,753	21,104	22,624	25,242	58,553				1156				
-	431.8	314.2	371_B	362.5	525.1			1932.6	172.0				
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Basis 100 Gort. Secs 15/10/26, Flored Int. 1928, Ordinary 1/7/35, Gold Milnes 12/9/55, S E Activity 1974, \* MS=11.18.

LONDON REPORT AND LATEST SHARE INDEX: TEL, 01-0898 123001

jumped 14 to 321p, after 325p.
The Britoil/BP/Atlantic Richfield saga rolled on with Arco said to have added to its shareholding which was last registered as 23.83 per cent. Britoil shares were finally unchanged at 457p after a turnover of 2.8m shares. Dealers higher again to keep their yields in balance with the conventional sector. At the close, IL stocks were E to the good, IL now await the Britoil defence document and the mooted increased offer from Arco issues have pursued an erratic trend recently, often following the market trend rather than

which is expected to be in the region of 475p a share.
Switching from BP "old" to the "new" was said to have been responsible for lifiting the partly-paid 2½ to 75½p and leaving the old unchanged at 257n, after 262n, Turnovers.

were 5.8m and 3.7m respectively.

Among other major features in oils Calor Group surged 27 to 490p amid whispers that a statement from the company—

ASDA-MF1 was another major features closed 7 down at 218p.

ASDA-MF1 was another major features appeared to be immited, a cautious stance was prudent another. where the Dutch group SHV holds almost 30 per cent of the shares- is imminent; there was also talk that a deal with Car-less Capel, concerning Century Power and Light, could be on the cards. Carless shares added

4% to 105%p.
One of the "minnows" in the sector— Monnment Oil and sector—Monument Oil and Wait-and-see situation, pros-Gas—sprang to life and spurted by to 17%p on news that Lom-bard Odier et Cie, a private Beecham, up to 473p at one Swiss investment bank had acquired "on behalf of clients" of some 1.4m shares as Salomon 12.96m Monument shares or Brothers (SB) took a bearish

Kuwait Investment Office. lysts digested the performances of the various divisions. Annual profits of £180m were slightly disappointing but within the estimated range, and most

The picture for US trading was less rosy, however. It was suggested that the group could struggle to regain momentum there. A sector analyst said, 257p, after 262p. Turnovers although downside in the were 5.8m and 3.7m respectively shares appeared to be limited, a

> group to produce a marginally disappointing trading state-ment. Profits for the half-year of £94.8m were near the lower end of estimates but, following disposal of MFI, could recover in the second half. A market-maker commented that morale was high and, in basically a wait-and-see situation, pros-

29.54 per cent of the shares; stance on the stock.

the stake was believed to have SB is recommending clients to come from no less than the sell Beecham on the view that

commercial expectations on the research and development work Trusthouse Forte traded research and development work briskly with total volume being undertaken by the group amounting to 5.8m shares, but the price moved lower as ana-City commentators. The Beecham share priced closed a penny off on the day at 468p. Lloyds Bank was easily the most active stock among the "big-four" and turnover expan-ded to 4.8m shares- much of it researchers were pleased with ded to 4.8m shares—much of the contribution from the UK systems—still boosted by the systems—still boosted by the

from Warburg Securities and UBS Philips and Drew; however, profit-taking emerged and the shares settled a shade easier on balance at 262p, after 267p. Barclays hardened to 499p, helped by a favourable response to the sale of the US retail banking subsidiary.

Insurances included a number Insurances included a number

of outstanding performers. The overall market performance helped lifes move higher led by Abbey, 8 np at 255p, and Sun Life, 9 firmer at 853p,the latter were additionally helped by ber's 1 per cent rise, and were excellent new life business figures. In composites vague talk of another Antipodean predator stalking the company failed to

share prices railied to close with modest gains on the day.

Burton Group, hit by the DII inquiry in recent days, picked up strongly and closed 10 higher at 232p reflecting a bear squeeze and talk of a switch into the shares from Next; the John Spalvins Adsteam has a later eased 4 to 283p.

Leading electronics issues made progress across the board

for Commercial Union —where John Spalvins Adsteam has a stake of around 5 per cent—and CU could manage only a 3 gain at 355p. Royals added 6 at 414p on talk of a switch out of GRE which dipped 6 to 873p. Sun Alliance remained depressed by the recent EZW "sell" advice and lost 7 more to 829p. Willis Faber dropped to 220p—upset by the recent profits forecast downgrading by UBS Phillips and Drew—but later rallied strongly to close and 11 higher at 233p. Sedgwick also made ground to close 7 firmer at 237p. Hogg Robinson Gardner Mountain edged up 2 to 153p but underperformed Hogg Robinson Gardner Mountain edged up 2 to 153p but nuderperformed Hogg Robinson Travel which shot up 17 to 250p amid stories that the TSB Group may renew its bid for the company from February 1.

Associated-Henriques, a company providing trade finance services and headed by South African businessman Dennis M.Levine, made a quiet debut. The fully listed shares attracted few inquiries and closed at 72p compared with the placing price of ?1½p.

Dealers reported a low level of interest in the Building sec-

attracted few inquiries and elosed at 72p compared with the placing price of 71%p.

Dealers reported a low level

of interest in the Building sec-tor. Nevertheless, several noteworthy movements developed as the day progressed. Week-end Press mention directed buying interest to Ibstock Johnsen which moved ahead smartly to close 13 higher at 167p while newspaper comment also boosted Bett Bros, 10 to the

good at 102p.
ICI opened a shade better, but drifted back on scattered offerings and lack of support to close 1/6 lower on balance at \$11%. Elsewhere in Chemicals, Brent hardened a few pence to 138p following completion of the acquisition of Robertson

Chemicals. Stores were momentarily upset by the provisional retail sales figure for December which came out as down 1.1 per cent, compared with Novem-ber's 1 per cent rise, and were additionally unsettled by the latest FT/CBI Survey of distrib-

suggesting the company is experiencing problems with Protech, its instrumentation

Company.

Dalepak Foods reacted to the interim profits setback and closed 4 down at 91p while Hard Rock International fell? to 94p after news of the fire at the group's West End cafe.

and Smith New Court, which to 94p after news of the fire at the group's West End cafe.

A positive view on the television contractors by Mr John Sanderson of County NatWest boosted Thames 15 to 393p, Central TV 10 to 488p and HTV 6 to 280p. Anglis TV, due to report preliminary figures today, were 190 to the good at 394p.

A positive view on the television Turnover in Traded Options totalled 30,859 contracts made up of 22,857 calls and 8,002 up of 22,857 calls and 8,002 up of 22,857 calls and 145 puts but Cable and Wireless showed 1,112 puts and only 625 calls.

Traditions:

394p.
The recent demand for Lucas Industries persisted and the market showed all the signs of a classic bear squeeze as traders chased each other for stock. • Last declarations Apr 21 Turnover amounted to only Por Settlement May 3.

1.4m shares but at the end of For rate indications see such the session the shares were up

28 more to 624p, a rise of 60

28 more to 624p, a rise of 60

3 fair amount of interest was shown in the Traditional option tion of Lear Siegler Power Equipment of the US. Sporadic-buying inquiries raised Airflow

Streamlines 10 to 160p, and there were good features among the sporadic buying inquiries raised Airflow

Streamlines 10 to 160p, and there were good features among Leisure, GEC, Balgin A, Plysn.

Motor distributors on these Motor distributors on share

to 7 per cent of the ordinary-capital, by rising 25 to 453p, while Lyon & Lyon improved to 175p after confirmation that Allied Partnership had acquired a 11.25 per cent bidge as a trade investment. Press men-tion took T.Cowie up 7 to 122p and William Jacks 2 higher to 53p but D.C.Cook eased to 198p despite higher first-half

profits.
Good trading statements brought a ready response in David S.Smith, up 11 at 359p, and Hanterprint, which rose 10 to 375p, but investors remained wary of Bunzi and the close was 3 easier at 164p. Weekend press comment prompted support of Advertising Agency WPP, 15 higher at 478p, while Filofax jumped 10 to 113p on reports of expansion when

Reports of souring West End rental values following the change in planning regulations which allows industrial space to be freely converted to offices gave a boost to selected Property shares. Great Portland Estates, in particular, met with persistent demand and moved ahead sharply to close 14 to the good at 285p. Elesewhere, Greycoat improved 8 to 327p, while Laing moved up 9 to 370p in a market none too wall supplied with stock.

A revival of speculative enthusiasm sent Lamont 17 higher to 260p while J.Beales gained 7 to 277p. Robert H.Lowe continued to benefit from last week's confident

from last week's confident amoust statement and improved 6 more to 188p. Contrasting movements

among miscellaneous Financial issues included James Ferga-son, up 8 at 68p following a bout of speculative interest, and Smith New Court, which

# Options

e Pirat dealings Jan 18 Lest dealings Jan 29

Marinez, Micro Focus and stake news, Caffyns responded Premier Consolidated. No put to the announcement that Colin options were reported, but a Giltrap had increased his stake double was arranged in GEC.

# FT - ACTUARIES INDICES

inflationary expectations.

With the prospect of an imminent move in base rates dis-

counted after the retail sales

took over the roles of the most

active issues in an oil sector

where turnover in the leaders

shot up to 297p at one point as

hard on the heels of Friday's

news on the Retail Price Index. strengthened faith in an encouraging outlook for domes-tic inflation. The market hopes

for a near-balanced UK Budget

Much of the gain came early

move to meet market shortage

The tranchettes consist of

market firmness.

the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS			Mond	ay Janu	Fri Jan 15	The ,tan 14	Wed Jan 13	(approx			
& SUB-SECTIONS Figures in parentheses show number of stocks per section		Endest No.	Day's Change %	Est. Extraings Vield% (Mar.)	Gross Div. Yield% (Act at (27%)	Est. P/E Ratio (Net)	ut adi. 1988 In date	Index No.	fedex No.	Index No.	intex No.
1	CAPITAL GODDS (208)	749.53	+0.8	9.58	3.86	13.09	0.15	743.69	731.61	728.95	749.5
2	Building Materials (30)	991.68	+0.9	9.94	3.79	12.51	0.43	982.49	961.68	<b>%3.51</b>	
3	Contracting, Construction (33)	1434.88	+0.6	9.33	3.49	14.23	0.38	1425.97	1407.57	1397.65	
4	Electricals (12)	2062.15	+1.1	9.04	4.69	14.32	0.00	2049.27	1998.43	1995.60	
5	Electronics (32)	1540.24	+0.6	10.36	3.37	12.61	0.00			1513.29	
6	Mechanical Engineering (57)	387.36	+0.1	9.62	4.26	13.12	8.14	386.79	379.38	376-23	427.9
8	Metals and Metal Forming (7)	454.18	-8.2	9.30	3.69	12.97	0.00	455.25	653.33	45L83	398.7
9	Motors (13)	284.28	+1.2	10.58	4.09	11.00	0.00		273.34	269.68 1231.99	292.4 1283.7
0	Other Industrial Materials (24)		+1.5	8.18	4.08	14.51	0.13 8.28	1254.77 1843.30		101230	
21	CONSUMER GROUP (185)	1943.82	-	8.44	3.46	11.33	0.02		971.43	964.13	947.5
25	Food Manufacturing (23)	853.23	-0.4	11.19	3.98 3.78	14.25	1.06		837.93	823.89	773.7
26	Food Retailing (16)	2878.46	-14	7.69	2.92	17.26	2.00		2864.86	2946.15	
7	Health and Household Products (10)_		+0.1	6.50	2.49	18.37		1806.09	1743.49	1708.33	
9	Leisure (31)	1183.22	40+	7.33	3.86	17.00	0.00			1146.79	
ií	Packaging & Pager (16)	503.71	+8.6	8.42	3.64	15.63	0.24	500.64	492.74	499.99	537.0
32	Publishing & Printing (16)	3494.24	+0.7	637	4.22	19.83		3468.94	3407.87	3445.82	3009.8
4	Stores (35)	839,35	+0.5	8.98	3.61	14.94	0.07	834.86	827.02	821.87	876.8
35	Textiles (17)	606.35		20.82	3.86	10.67	0.00	998.52		574.59	
10	OTHER GROUPS (92)	888.35	+9.5	10.34	4.15	12.03	0.03		857.34	851,76	
1	Agencies (19)	1123.47	+0.6	6.47	213	19.81		1116.28	1866.53	1058.27	
2	Chemicals (20)	1100.48	-16	9.28	4.26	13.23	0.14		1677.48	1079.46	
13	Conglomerates (13)	1197.47	+8.9	9.92	4.36	11.57	0.00		1150.78	1146.49	
15	Shipping and Transport (11)	1830.72		9.13	4.48	14.35	0.00		1784.54		
17	Telephone Networks (2)	938.68 1180.05	+1.5	11.48	4.51 4.00	11.60 9.32	90.0	923.91	896.00 1147.06	857.05 1139.05	
18	Miscellaneous (27)		+0.6								
19	INBUSTRIAL GROUP (485)		+0.4	9.26	3.76	13.60	0.17	932.88	911.96		
51	Oil & Gas (15)	1743.19		9.53	5.64	12.93	0.00	1739.16			
35	500 SHARE INOEX (500)	1004.68	+0.3	9.30	4.04	13.50	0.16	1001.22	978.74	773.80	972.7
1	FINANCIAL GROUP (124)	668.64	+0.3	-	4.76	•	0.11	658,74	648.97	644.04	652.5
2	Ranks (8)	673.61	-0.3	19.67	5.83	6.71	0.00	674.88	658.46	653.40	
5	Insurance (Lile) (8)	985.91	+1.1	-	4.67	-	0.00	975.67	956.63	948.33	911.1
6	Insurance (Composite) (7)	515.10	+0.2	-	5.35	-	0.00	514.08	504.63	503,64	430.7
7	Insurance (Brokers) (8)	938.28	+26	11.83	6.13	10.82		914.45	928.57	906.48	1222 3
8	Merchant Banks (11)	353.19	-0.1	-	4.04		8.00	353.56	350.99	350.57	385.6
9	Property (52)	992.49	+8.5	5.26	3.64	24.28	0.30	993.09	981.50	976.36	829.9
0	Other Financial (30)		-9.1	9.38	4.17	13.75	0.64	399,09	395.46	394.41	398.9
n	Investment Trusts (86)	843.40	+0.9	7-4	3.02		0.32	836.11	\$12.60 455.63	813.61 445.54	908.1 373.6
1	Mining Finance (2)	455.41	+0.4	9.98	3.75	11.28	0.00	453.40	971.34	900.78	373.6
n	Overseas Traders (8)	1022.57	+12	9.38	4.95						_
19	ALL-SHARE INDEX (720)	912.60	+0.4		4,12	-	0.35	999.36	890.22	884.71	886.6
		Index	Day's	Day's	Day's	,ban	, Jaq	ii.	ħ	Jan	Year
1		No.	Change	High	- Low	15	14	15	12	11	#g0

	FIXED INTEREST							AYERAGE GROSS REDEMPTION YIELDS			Fri Jan 15	Year ago (approx.)
	PRICE INDICES	Mon Jan 18	Day's change %	Fri Jam 15	xti adj. today	nd adl. 1988 to date	1 2	Coupons 15	years years years	8,94 9,48	9.01 9.58	9.44 9.82 9.82
1 2 3 4	Srifish Government 5 years 5-15 years Over 15 years Irredeemables	162.30	+8.88	122.68 137.39 146.11 160.77	-	0.62 0.80 0.00	4567899	Median Coupons 1 2 High Coupons 1	years	8,94 9,48 9,26 9,45 9,45 9,45 9,45 9,45 9,25 9,28	9.37 9.45 9.76 9.60 9.75 9.92 9.61 9.35	10.44 10.10 9.92 10.55 10.26 9.96 9.77
6 7	All stocks	135.42 123.98 112.35 113.14	+0.94 +0.37 +0.34	134.93 123.93 112.15 112.95	0,21	0.00 0.36	11 12 13 14	index-Linked Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10%	Syrs Over 5 yrs 5 yrs Over 5 yrs	2.56 4.08 1.57 3.91	2.56 4.11 1.56 3.93	3.64 3.74 1.98 3.57
10	Ochentures & Laws Preference	116.66 86.51		115.64 86.54	-	0.61 0.17	16 17	Dein & Luans Praterence	5 years 15 years 25 years	18.92 16.92 10.92	11.01	11.00 11.00

### **NEW HIGHS AND LOWS FOR 1987/88**

BRITISH FUNDS (2) Tress. Skipt. Ln 'C-	(Methew), ELECTRICALE (2) /
1997 (250pd), Tress. 2pc. N 1985,	puting, ITL information Tech., it
NMERICANS (1) Prenenk Ink., RNDUSTRI-	(1) Alexander (W.), TRUSTS (1)
LLS (2) Eurobunnel Warrants, Mayna Nick-	ental inv., OVERSEAS TRAD
ees, Mintes (1) DRX inc.	Great Nordic, PLANTATIONS
New LOWS (13).	Central, MINES (5) Pandiont's
DANKS (1) MCorp, BREWERS (1) Clark	Rand, Grootel, Kinross, Anglo

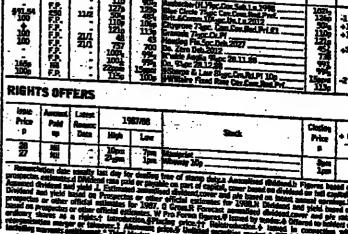
			L	ON	DO	ΝT	RA	DED OF	TIC	ONS	5				
										-	7.5			_	
Option		.390.	CALL	Jul	Jan	PUT:	Jet	Option		Feb	CALL!	CALLS		PUTS	
Allied Lyons (*348 )	330 360 390	20	42 25	50 35 25	2 <sup>2</sup> 2		27 43 60	(*324 )	280 300 330	57 42	65 55 40	60	Feb. 9	23 33 47	37 45
Brit. Airways (*169 )	140 160 180	30 11 2	36 24 14	45 32 21	2 2 16	13	111 18 28	P. & Q. (*543.)	460 500 550	90 55 20	106 72 45	120 86 65	12 32	17 30 50	25
Brit. & Caron. (*338 )	330 360 390	19	40 27 13	55 40 30	27 55	22 45 65	35 50 70	(*250 )	220 240 260	37 26	53 39 28	58 47 37	13	12 20 32	17 30 43
8.P. (*260 )	220 240 260	40 20 43 <sub>2</sub>	47 30 20	52 40 28	2 5	7 13 23	12 20 30	(*160 )	140 160 180	26 13 6	B	27 18	5 11 24	- 18 29	13 22 34
(*790 )	750 800 850	48 10 5	98 63 43	117 92 70	18 60	30 58 85	50 75 103	Prodestial (*853. ) Recal	800 850	75 45	95	118 86	-20 40	45 65	50 78
Cable & Wee (*378)	360 390 420	23	47 30 20	62 47 35	3 20 45	22 38 58	28 50 45	(*243 )	200 220 240	477 30 38	57 44 23	50 36	2°2 6 14	13 20	20 32
Cors. Gold (*890 )	950 950 950	45 11 4	110 90 65	155 135 110	10 40 90	70 105 145	100 140 175	(*375 ) (*375 )	360 380 390	30 18	48 -	60	30	45 55	60 75
Countradite (*350 )	300 330 360	53 23 4	60 46 52	75 60 43	2 <sup>1</sup> 2	10 20 35	20 33 50	(*\$103)	100	20 14 61 <sub>2</sub>	23 16	双双	5 16	16 24	13 19 30
Com. Grace (*355.)	330 330 360	57	67	77 58	1 2	냺	20 32 47	Option	T	Nar.	Jane.	Sep.	Mar.	Jes.	<b>Бер.</b>
British Gas	390	4 1 81 <sub>2</sub>	30 17	43 33 21	12 38	40 57	47 65	(*3/IL)	端端	19 14	37722	33 30	12	13 10	13
(*137 ) &EC.	135 140	20	11	26	222	14	19	(°499 )	420 460 500	45.6	100 75 517 <sub>2</sub>	110 52 62	1988	150	27 42 45
. (*159 ) G.K.N.	160 180	37	14 8	222	40 <sub>2</sub> 23	14 28	20 52 25	(*469 )	450 460 300	R42	864	98 77 60	<b>30</b> E	22 50	32 48 70
(*317 ) Grand Met.	280 300 330 420	20 5	40 26 50	39	17	25 41	30 46	(*257 )	SSS	<b>522</b>	53 38 30	60 48 38	7 13 25	13	20 28 40
(*450 )	460 500	2	30 16	47 33	132	19 40 67	30 46 72	(*280 ) SLS	260 280 300	22	525	88	1120	2235	25 34
(*1154)	1150 1200	62 22 5	67 67	555	27 <sub>2</sub> 17 45	62 86 115	180 135	She (Irde ("422.)	420 460 500	***	50 55 50	94 S	57 57	47 67 97	55 75 103
(*344.)	280 300 330 360	45	100 35 TT	5229	N.Y.	野なな	18 25 25 27	(*184 )	180 200 220	192	882	49 XX	1524	20 33 48	25
Land Securities (*462 )	420 460 300	10 2	68 47 28	888	57-8	202	20 42 70	(*1044)	950 1000 1050	135	125	220 195 130	35 75	ସଥନ୍ତ	57 130 133
Marks & Spencer (*181.)	160 180 200	7 1	34 20 11	30 24 14	ล็กลู	S 18 30	11 22 32	(*475 ) Hanges	460 r 500	19 19	37 24	70 55 29 23	25 45	45 72 B	76 12
(*459 )	390 420 460	60 40 7	83 60 31	92 68 42	1 4 e	12 28	14 22 38	(*144 ) (ante (*269 )	240 260	12 24 13	10 46 55	50 59	7½ 11 19	1D <sub>2</sub>	22 30
(*135 )	120 130 140	16 8 2	25	20 25 19	158	928	15 18 25	(*393 )	360 390 420	35 35 30	25 62 47 32	77	30 17 30 52	36- 27 42	37 50
Salestory (*232*)	200 220 240	34 14 1	20	48.25	1 2 10	122	11 18 20	Sours (*135 )	120 120 120 120	17	23 18 19	29 24 19	5 9 13	9 .14 20	12 19
(*1055)	1000 1050 1100	60 20 3	182 50	130	23 25	899	80 105 135	Teco (*159)	140 160 180	24 14	52 20 12	37 27 18	15 12	10	14 24 36
(*256 )	240 260 280	18 4 2	35 24 14	40 37 27	2 27	14 23 38	25 39 45	Trusteup Farte (*220 )	200 220	26 15	35 25 17	45 25	20 23	36 27	22
Trainings House 1"330 )	300 330 340	32	47 30 17	\$5.40 30	2 6 32	13 25 42	22 35 50	There ENG (*579 )	500 550 600	8 65 65 85	118	135 100 70	8 20 45	40 17 22 55	42 27 45 67
(*115 )	828	167	20 12	25 16 11	7	8 12	. 11 16	Unileyer (*504 )	460 500 550	67	60 85 62 40	105 85 62	18 30 70	37 55 52	47 67
Westerate (*262.)	240 260 280	25	45 32 22	30	7 25	13 22 40	22	Wellcom (*404.)	950 360 370 420	22 64 67 32	85 68 32	100 100 100 100 100	70 15 25 43	27 40 57	100 51 67
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								Com. 91%, 2005 (*100 )	98	-	-		-	-	Aug
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5)	100	19	12	16 2 8 11		5			-	_23	100	1 70	1 45 I	. 20	, (	
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orth 2)	240	25	45	25 42 30	7	13	22	-		_	ž	_		-		1
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Option		Feb.	May	ā 1	gab.	14		Came 924	2005	70	-	<u> </u>	- 5	-	-	F
	995	45		Aug.	Peb.	Mag Tab	445.			102	1 =	-	艾	i =		
87)	30 30 30 30 30 30 30 30 30 30 30 30 30 3	20	\$ 49 25	67 50	Mar	25	35 50	Tr. 111/2 (*20	1992	104 206	2,	Ξ	=	-	-	
	90	13	20	25 21	4	.9	11	Tc. 12%	1005	108	1		-	2I	-	
	110	4	15	13	8 14	13	25	(*11)	() (	112	! =	럞	23	-	<u>1</u> %	
1 (1)	<b>\$88</b>	73 48 22	15 15 15 15 15 15 15 15 15 15 15 15 15 1	95 78 60	58 23	13 25	23 30 50	7r. 111/2 (*11	03/07 7 )	116 118 120	14	31, 22, 14,	Ē	沒	3	
	200	40	47	51.	2	5	8	Opti			<u></u>	<u> </u>		•		<u>::</u>
"	<b>888</b>	24	\$2 20	38	13	19	34	FY-SE		200			Apr. Ja			Ľ
houppes ))	240 260	28 16	38 24	46 30	7	16	22 32	(*1799)	1600 1650 1700	る行気器	223- 180 145	202 205 170	260 1 223 1 192 4	1 17	37 55 55 55 50 50 50 50 50 50 50 50 50 50	
75	280 300 330	37 20	4538	52 42	6 12 30	17	25 32		1750 1800 1850	72 40 15	110	썙	192 (1 182 1 136 E	7 5 77 105	105	ŀ
		7				-			1900	. 8	_	70	93   10	7   140	160	li
75	が続	47 25 15	300	- SE	13 20	16	35	J.	MH1718	FT-ŞŞ	entrack hodex (	184 بالد:	Calls 22. 2 Pats 15 By price	57 Pets	8'005	

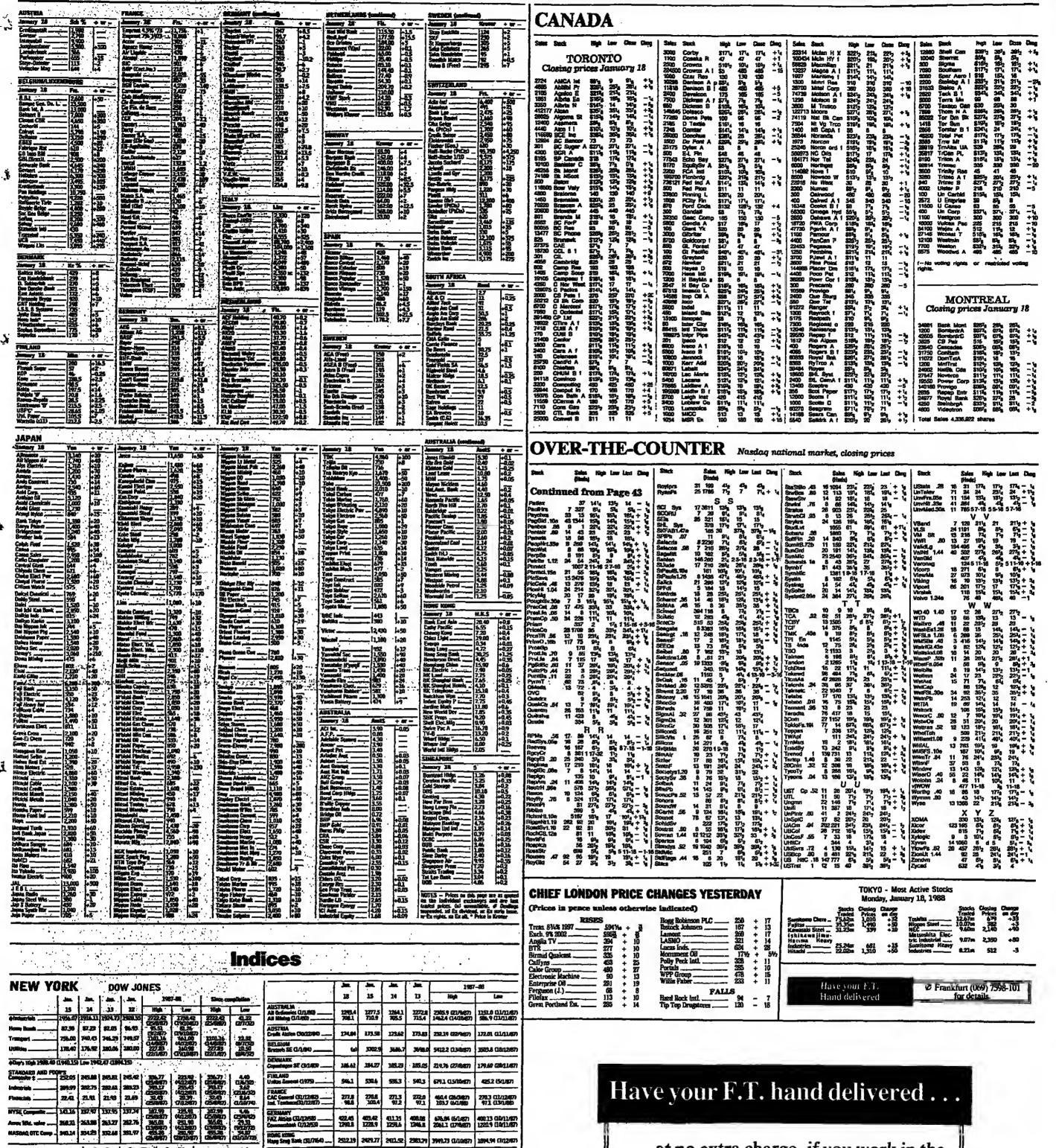
### TRADING VOLUME IN MAJOR STOCKS

RISES AND FALLS YESTERDAY

EQUI	TIES					ECENT					_	_
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# WORLD STOCK MARKETS



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Continued on Page 43

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# NYSE COMPOSITE CLOSING PRICES | AMEX COMPOSITE CLOSING PRICES

### AMERICA

# Dow loses momentum to drift lower in thin trade

### **Wall Street**

A LACK of consensus about maceutical company had where equities should move rejected the bid by Swiss drug where equities should move next now that November's US mext now that November's US trade figures are out of the way, coupled with the closure of US banks and the bond market for Martin Luther King sible acquisition.

Memorial Day, kept share trading quiet, writes Janet Bush in New York.

Memorial Claims over its Dalkon Shield

Because trading conditions yesterday were so thin, it was difficult to discern the underly-ing mood of the market after ing mood of the market after Friday's news of a sharp narrowing in the US trade deficit between October and Novem-

improved figures. Nevertheless, there is still a high degree of caution in the market after the 140 point fall two Fridays ago which seemed to come out of Lilley was off \$\% at \$77\% but the blue just as securities houses were talking confidently.

the blue just as securities houses were talking confidently about a healthy and extended January rally.
Volume yesterday was low because of the absence of many market participants for the partial holiday. Only just over 135m shares changed hands and dealers noted this figure exaggerated the amount of activity actually going on. Substantial volume was generated by dividend-related trading on two stocks.

Merck rose \$2% to \$153.

A number of computer companies reported increased profits after a 20 per cent rise in its latest quarter, fell \$2% to \$58%. Wang slipped \$% to \$14% after its announcement of a \$34 lm profit in its latest quarter compared with a loss of \$78.6m in the previous quarter. Tsndy reported a

takeover scenarios were ended December 31 compared active yesterday.
Sterling Drug jumped \$3\% to

Average fluctuated narrowly contraceptive device, continued throughout the session and with Sanofi, the French drug ended 7.79 points higher at 1,963.86. with Sanofi, the French drug company, and Rorer Group both aweetening their bids in response to the improved bid last week by American Home Products.

ber.
There seemed to be some slight buying interest yesterday and brokerages talked of renewed confidence among investors after Friday's improved figures. Nevertheless, there is still a high degree.

with \$103.8m in the previous quarter and closed unchanged

Tandem reported lower profits in its latest quarter of \$23.7m compared with \$27.1m previously. Its share price rose \$1 to \$20. The market had been forewarned that the results would fall short of expectations on January 8, the day of the 140 collapse in the Dow Jones Industrial Average when Tandem's share price fell by 25 per cent to \$20k.

cent to \$20%.

Among other computer stocks, Apple lost \$% to \$42%.

Union Carbide slipped \$% to \$21%. The company yesterday appealed an Indian court order that it should now \$270m in that it should pay \$270m in interim relief to the victims of the Bhopal gas leak in 1984.
Among blue chips, International Business Machines stood \$1 4 lower at \$1174, General Electric edged \$\% higher to \$46\% Proctor & Gamble added \$1\% to \$86\% and Eastman Kodak lost \$\% to \$51.

### Canada

TORONTO SHARE prices drifted slightly higher in mixed trading as investors took stock of the November US trade deficit figures released last Friday.

The composite index, which
had dipped about eight points
in earlier trading, rose 7.1 to

Declines outran advances by 12 to 368 on active volume of 30.3m shares. The Toronto Stock Exchange

said about 12.5m shares of Getty Resources that traded in A number of stocks involved profit of \$130.8m in the quarter much of the volume.

# **Nedlloyd price soars** as policy battle intensifies demand

SHARES in Nedlloyd, the Dutch shipping company, soared by FI 15.50, or 9.5 per cent, to FI 177.50 yesterday as the policy battle surrounding the financially troubled group fuelled heavy demand.

heavy demand.

Norweglan and Swedlsh investors were said to be buying actively in the first couple of hours of trading when the price touched a high of Fl 185.50 before profit-taking later eased the price.

Mr Torstein Hagen, the Norweign shipper who is challeng-

Mr Torstein Hagen, the Norweign shipper who is challenging Nedlloyd's corporate policies, said yesterday that he was "not buying and not selling" ahares in the group Mr Hagen, with the financial help of four other Norwegian companies, has already bought 5 per cent of Nedlloyd's shares and options for a further 5 per cent. He has publicy stated his intention of turning around the troubled shipper.

bled shipper.
Other Nedlloyd buyers yesterday were believed to include US and Dutch institutions and

to buy shares in the group fleet and oil wells.
before a crucial shareholders To fend off potential takemeeting on January 25, although there is no suggestion of shares being illegally bought in concert.

Sharebolders will be asked at the meeting to approve a Fl 175m issue of cumulative preferred shares to be placed with a select group of Dutch financial institutions. Mr Hagen is thought likely to encourage Nedlloyd shareholders to boycott the meeting to leave it inquorate. A second meeting would then apparently have to be called and approval the preferred shares would amount to more than half of the total share capital they would two-thirds.

Singapore

piled into the Singapore market as the US trade figures released

too, to 60m sbares, up 29m from Friday.

Some blue chips strode ahead, including DBS, up 50 cents at \$\$10.10, and Singapore Airlines, also 50 cents higher at \$\$0.50



1987 Jan '88

shareholders.

Nedloyd says the issue is needed to strengthen the balance sheet before a FI lbn writedown of ships and oil wells for 1987. The write-off, which will produce a FI 990m loss for 1987, is blamed on the slump in the shipping industry and the dollar's fall.

Mr. Hagen contends, though.

overs, however, Nedlloyd limits the number of votes held by each shareholder to 120, regardless of the size of their

Frankfurt pulled higher by sharp gains in dollar London

\* , EUROPE

currency's ability to sustain short-term gains.
FRANKFURT rose strongly on the crest of the dollar's strong gains led by demand from small domestic investors. Institutional and foreign investors held off until late in the session before many took prof-

Its.
The Commerzbank at midsession was 51.9 up at 1,290.8, while the FAZ closing index rose 20.02, or nearly 5 per cent,

to 422.45.
Insurers were to the fore as all sectors made good ground. Allianz led with a DM113 advance to DM1,228 - a 10 per cent rise. Aachener und Münchner jumped DM63 to DM755 and Münchner Rück added DM75 to DM1,800. Banks advanced broadly.

Car stocks brightened on the dollar's rise. BMW continued to benefit from strong interim figures to soar DM37, or 8 per cent, to DM502. Daimler climbed DM19 to DM673 and VW was up DM9.80 at DM214.80.

Chemicals saw similar gains,

DM214.80.
Chemicals saw similar gains, Schering leading with a DM29.80 advance to DM386 and Bayer and Hoechst rising DM10 and DM8.50 in turn to DM258 and DM247. Siemens, also responsive to shifts in the dollar, added DM13.50 to DM360.50 and Nixdorf was np DM12 to DM534.

DM12 to DM534.
Steel and engineering counters also rallied, Linde by DM14 to DM550 and MAN by DM8 to DM151.

A 1.1 per cent drop in UK retail sales last month dis-appointed the London appointed the London equity market, where players were also taking a second, less enthusiastic look at the US trade figures.

After a firm start, share prices fell back to end only slightly higher on the day. The FT-SE 100 index was 3.3 up at 1,790.

Turnover was only moderate, but the underlying mood remained fairly confident.

Retailers, which are isrgely insulated from the dollar's movements, fell back. Karstadt lost DM10.20 at DM352 and Kaufhof DM6 to DM346.

ZURICH climbed strongly in modest trade, boosted both by the dollar and fumer oversess share markets.

share markets.

Bine chips flourished. CibaGeigy added SFr95 to SFr2,540
as the chemical group denied it
was interested in buying US
group Pfizer. Hoffmann-La
Roche "baby" stocks were
SFr475 higher at SFr9,600
despite the group reporting a 1
per cent fall in 1987 sales. Sandoz was SFr400 np at
SFr12,200.
In financials, Union Bank was

In financials, Union Bank was SFr95 stronger at SFr3,115, while Credit Suisse made up SFr80 to SFr2,450. Insurer Zur-

rose L181 to L4,001.
Fiat climbed L330 to L8,555 and Montedison L52 to L1,327. friday's US trade news. Caushares listed in Zurich fell to tion over the longer-term out. SFr166.3bn at the end of last look for the dollar also curbed enthusiasm. The CBS all-share A year earlier, the capitalisa-

15.50 to F1 177.50 in continued takeover speculation, though its rise failed to spread through

transport issues.

Blue chips were mixed, Roya!

Dutch adding just 20 cents to F.

209.70 and Alexo losing F1 1 60 to F193.30. BRUSSELS bounded ahead b

active trade in a session heavily delayed by technical hitche, which also prevented the release of closing market indi-Société Générale de Belgique's

Société Générale de Belgique's share, Réserve, which sau heavy buying last week, was suspended at the request of Belgium's financier minister ar Italian financier Mr Carlo De Benedetti bid for a controlling stake in the group Réserve closed on Friday at BFr3.250.

Solvay added BFr470 to BFr8,600 as chemicals marched ahead, while oil group Petru-fina made up BFr500 ic BFr9,220. PARIS shamped to close new

the day's lows in this trade clouded by caution over the caution for the dollar and l'assock prices. The share price indicator ended 1.8 per cent lower than Friday's close.

MADRID surged in a flood of buying on optimism following the US trade news. The general index added 11.86 to 249.17.

SFr80 to SFr2.450. Insurer Zorich added SFr275 to SFr6.175 and Swiss Re SFr375 to SFr12.000. Winterthur climbed SFr200 to SFr4.900.

MILAN picked up solidly in busy trade, but closed off the day's highs. The MiB index was 3.32 per cent higher at 1.022.

CIR, the De Benedetti family's industrial holding company, soared more than 11 per cent, or L340, to L3,700 after Mr Carlo De Benedetti's French investment arm Cerus made an offer for 16 per cent of Belgian

Trading volume for securities

offer for 16 per cent of Belgian holding group Société Générale de Belgique. Cofide, the family's financial bolding company to SFr636.4bn (\$464bn). The control of the cont number of bargains increased by nearly 23 per cent to 624,059.

AMSTERDAM was little The bourse authorities said in changed in the absence of fur- a statement that market capither market signals following talisation of the 298 Swiss

enthusiasm. The CBS all-share index was steady at 71.8.

Nedlloyd rose a further FI

A year earlier, the capitalisation, involving 44 fewer shares, was SFr208.9bn.

### Share price (Guilders per share) 180 160 140 120 limit the rights of common

Options Exchange.

Speculation abounds that Mr
Hagen and Nedlloyd are each encouraging friendly investors earnings from the shipping

### SOUTH AFRICA

A STEEP fall in the financial rand to around 31½ US cents belped to offset the lower bul-Johannesburg.

The currency, through which foreigners invest in South

Africa, had risen on Friday to 33% US cents amid hopes that a statement by Finance Minister MrBarend du Plessis would

as the US trade figures released pent-up energy, driving the Straits Times industrial index up 47.79, or 6.5 per cent, to 917.59. Turnover rose sharply, too, to 60m sbares, up 29m from Friday.

Some blue chips strode ahead,

In cautious trading, gold shares ended slightly higher on balance, with Vaal Reefs firming R6.50 to R326.60 and Elsburg up 25 cents at R9.75. However, Freegold was 50 cents easier at R37.

Diamond stock De Beers added R1.50 to R30.75, and mining house Anglo American was up 25 cents at R50.76 while Gencor gained 50 cents to R49.50.

Industrials were sought by institutional investors, with Barlow Rand rising 25 cents to R21.50 and SA Breweries gaining 50 cents to R18.



# Guess whodunnit?

The most arresting news in crime-detection this decade is causing the criminal fraternity to sleep a lot less easily in their beds. The breakthrough?

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# High-techs lead sizable advance

ASIĀ

### Tokyo

THE unexpectedly low US trade deficit for November and the dollar's subsequent sharp rise dollar's subsequent sharp rise encouraged buying in Tokyo yesterday, giving the Nikkei average a sizable boost, writes Shigeo Nishtwaki of Jiji Press. The 225-issue market indicator chalked up a 538 gain at one stage from the last trading day on January 14, but fell back to finish 306.55 higher at 22 0.12 20 cm. www.com. 512 m.

shares, up from 482m.
The index see-sawed, with the day's high at 23,141.29 and its low at 22,625.33. Gains far outnumbered losses by 726 to 191, with 116 Issues

2.910.20 on turnover of 613m

took profits in the afternoon. However, the institutional investors who hold the key to the market's vitality stayed mostly on the sidelines. Securities 1880 to 133.020.

75.62m shares. Investors showed renewed interest in the company's efforts to develop a drug against AIDS. The issue touched Y1,020 at one stage. Interest was particularly Interest was particularly only slightly despite the sharp strong in high-techs. Fujltsu, second busiest with trade of deficit and the dollar's rise 35.35m shares, climbed Y50 to Y1.490. Hitachi rose Y50 to Y1.310 and Toshlba Y33 to Y579, while NEC closed Y90 higher at Y2.140 and Matsushingher at Y2.140 and Ma

Tokyo 2500 2400

19, Oct 1987

2300

191, with 116 Issues Y120,000.

Unchanged.

The Nikkei, after recovering 23,000 for the first time in a month, fell later as investors missible daily advance of Y120,000.

Large-capital issues firmed, to Y970 and Matsushita-Ko buki Electronics rose Y120 Y382 and Kawasaki Steel Y10 Y1,950 on the dollar's advance of Y120,000.

With 116 Issues Y120,000.

Missible daily advance of Y120,000.

The Nikkei, after recovering with Nippon Steel adding Y3 to Y370 on the dollar's advance of Y120,000.

With Nippon Steel adding Y3 to Y382 and Kawasaki Steel Y10 Y1,950 on the dollar's advance of Y120,000.

mostly on the sidelines.

Investors, who had been nervous about November's US trade figures before last weekend's three-day holiday, bought across the market.

Sumitomo Chemical advanced Y32 to Y1,010, matching last October's all-time high, on the day's heaviest turnover of day's heaviest turnover of Trading companies showed

Trading companies showed similar moves, with Mitsui finishing at Y685, up Y12, and Mitsubishi at Y1,030, up Y10. Trading was active on the bond market and prices dipped only slightly despite the sharp improvement in the US trade deficit and the dollar's rise against the year.

the Electric Industrial Y80 up at the Bank of Japan will work to Y2,350.

Nippon Telegraph and Telephone (NTT) finished Y40,000 mr Noboru Takeshita's talks

Bage values: Dec 31, 1996 = 100; Floland: Dec 31, 1967 = 115.037 (US \$ ledex), 90.791 (Pound Sterfloy) and 94.94 (Local Countebet, The Flolandia Times, Column, Sachs & Co., Wood Mackeysie & Co. Let 1967

### in Washington last week. The market was also heartened by the central bank's operation to buy Y200bn worth of piled into the Singapore market three-month bills.

The yield on the benchmark 6.0 per cent government bond due in December 1997 fell to 4.260 per cent from 4.275 per cent on January 14, but later selling pushed it up back to

rne US trade news also prompted investors to seek \$10.10, and \$10.20 cents at \$10.10, and \$10.20 cents higher at \$ igher at Y2.25m after jumping turers scored a maximum permissible daily advance of Y100 to Y970 and Matsushita-Koto-

### buki Electronics rose Y120 to Y1,950 on the dollar's advance. Hong Kong

higher to 2,512.19.
In much heavier turnover worth HK\$1.24bn compared to only HK\$449m last Friday, shares saw their sharp early gains trimmed by late profittaking.

The deliant rise and law

HK\$7.20. Sun Hung Ka1 46 cents to HK\$9.20 and Hongkong Land 26 cents to HK\$7.75.

Elsewhere among blue chips, HK\$7.60, Hang Seng Bank HK\$1.25 to HK\$30.25, Swire Paclfic "A" 80 cents to HK\$16.70 and China Light 40 cents to HK\$19.

### INDUSTRIALS led solid gains in Sydney although the reaction to the US November trade deficit was more muted than elsewhere in moderate trading vol-

Australia

adding 22 cents 2.4m shares.

The All Ordinaries index rose 15.8 to 1,293.8, with banks, media stocks, and construction and transport the main focus. National Australia Bank pu

In much heavier turnover worth HK\$1.24bn compared to only HK\$449m last Friday, shares saw their sharp early gains trimmed by late profittaking.

The dollar's rise and low domestic interest rates helped to boost sentiment.

Among strong properties, Cheung Kong added 35 cents to HK\$7.20. Sun Hung Kai 46 cents to HK\$7.20 and Hongkong Land 26 cents to HK\$7.75.

Elsewhere among blue chips,

### FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		MGMD	MAURAL YA	18 1988		FRID	Y JANUARY	15 1988	DOLLAR INDEX			
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency . Index	1987/88 High	1987/88 Low	Year ago (approx)	
Australia (93)	100.24	+2.6	83.75	94.10	4.81	97.71	81.54	92.70	180.81	85.36	101.55	
Austria (16)	90.83	+0.3	75.89	79.49	2.64	90.54	75.56	79.06	102.87	85.53	101.62	
Belgium (48)	102.99	+3.9	86.05	89.53	5.30	99.14	82.74	86.18	134.89	94.63	104.71	
Canada (127)		+0.3	93.55	104.31	2.98	111.67	93.19	103.99	241.78	98.15	108.24	
Denmark (38)	113.15	+1.5	94.53	99.37	2.98	111.42	92.99	97.67	124.83	98.18	122.97	
Figland (23)	110.34	+33	92.19	94.83	1.57	106.78	89.12	91.66				
France (124) West Germany (94)	80.03	-1.8	66.86	71.21	4.16	81.47	67.99	72.37	121.82	77.39	109.54	
West Germany (94)	72.01	+4.7	60.17	62.92	2.96	68.80	57.41	60.05	104.93	68.80	98.74	
Hong Kong (46)	95.55	+3.2	79.83	95.62	5.50	92.61	77.29	92.62	158.68	73.92	97.14	
Ireland (14)	111.80	+0.4	93.41	99.79	4.54	111 31	92.89	99.20	160.22	93.50	112.99	
Italy (94)	75.28	+3.4	62.90	69.29	2.77	72.81	60.77	66.97	112.11	72.04	104.69	
Japan (457)	139.89	+1.8	116.88	115.00	0.61	137.36	114.63	113.22	161.28	100.00	111_90	
Italy (94) Japan (457) Malaysia (36)	119.83	+4.1	100.12	117.87	3.17	115.08	96.04	112.36	193.64	93.76	112,99	
Mexico (14)	90.07	-3.2	75.25	218.13	1.63	93.09	77.69	226.21	422.59	90.07	114.75	
Miexico (14) Netherland (37)	97.83	-0.2	81.74	84.30	5.34	98.05	81.83	84.40	131.41	87.70	105.46	
New Zealand (24)	74.24	-0.5	62.03	60.05	5.47	74.64	62.29	61.07	138.99	73.39	94.89	
Norway (24)	108.10	+4.9	90.31	94,45	289	103.00	85.96	89.69	185.01	95.51 81.21	107.76	
Norway (24) Singapore (26) South Africa (61)	106.95	+5.4	89.35	100.59	2.41	101.50	84.70	95.18	174.28	81.21	110.13	
South Africa (61)	127.46	-3.2	106.49	88.46	4.82	131.65	109.87	87.21	198.09	100.00	114.16	
Spain (43)	130-14	+4.1	113.74	117.83	3.43	130.73	109.10	112.90	168.81	100.00	115.95	
Counties (36)	97.89	+1.0	81.78	87.74	261	96.92	80.88	86.66	136.64	88.50	95.73	
Switzerland (53)	78.87	+3.5	65.90	67.01	2.48	76.22	63.61	64.83	111.11	73.65	104.06	
Halted Kingdom (331)	130.96	+0.2	109.42	109.42	4.26	130.68	109.06	109.06	162.87	99.65	109.89	
USA (588)	102.78	+0,0	85.87	102.78	3.60	102.78	85.78	102.78	137.42	91.21	111.21	
Europe (973)	101.62	+1.3	84,90	87.35	3.88	100.33	83.73	86.15	130.02	92.25	106.37	
Pacific Basin (682)	136.58	+19	114.11	113.26	0.84	134.05	111.87	111.47	158.77	100.00	111 01	
Eurou Pacific (1655)	122.64	+1.7	102.46	102.88	1.86	120.60	100.65	101.33	143.65	100.00	209.16	
North America (715)	103.27	0.0+	86.28	102.88	3.57	103.25	86.17	102.87	137.55	91.68	111.06	
Europe Ex. UK (642)	83.45	+2.3	69.72	73.44	3.51	81.54	68.05	71.69	111.97	78.89	98.71	
Pacific Ex. Japan (225)	96.71	+27	80.81	92.69	4.91	94.14	78.57	89.76	164.03	82,92	100.69	
World Ex. US (1857)	122.31	41+	102.19	102.89	1.92	120.40	100.48	101.38	143.38	100.00	109.19	
World Ex. UK (2114)	113.14	+11	94.53	102.12	230	111.88	93.37	101.06	138.82	100.00	110.00	
World Ex. So. At. (2384)	114.64	+11	95.78	102.89	2.48	113.43	94.66	101.90	139.47	100.00	109.96	
WOIN EX. 20, Mt. 14,777/	102.68	+0.5	85.79	96.92	3.74	102.16	85.25	96.35	134.22	92.98	109.07	
World Ex. Japan (1988)												
The World Index (2445)	3.14.72	+1.0	95.85	102.81	2.50	113.55	94.76	101.82	139.73	100.00	109.99	